



DIVIDEND DISTRIBUTION POLICY

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1. BACKGROUND AND SCOPE

This policy is framed in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) which requires top 1000 listed companies (by market capitalisation) to formulate a Dividend Distribution Policy (“Policy”) and disclose in the annual report and on the corporate website.

The intent of this Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring Dividend and the circumstances under which the shareholders of the Company may or may not expect Dividend and how the retained earnings shall be utilized, etc.

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

2. WHEN CAN SHAREHOLDERS EXPECT DIVIDEND

The Board shall before recommending/declaring any Dividend assess the Company’s financial performance, long term strategy, present and future organic and inorganic growth plans and other relevant factors as mentioned in this policy and ensure that sufficient funds are retained for growth of the Company.

3. PARAMETERS FOR DECLARATION OF DIVIDEND

The declaration of Dividend (including interim Dividend) would be subject to compliance with the applicable provisions of the Companies Act, 2013, SEBI and rules made thereunder as amended from time to time.

The Board of Directors of the Company, shall consider the following but not limited to the following parameters for declaration of Dividend:

Financial Parameters:

- (a) Net operating profit after tax;
- (b) Distributable surplus/accumulated reserves available as per the applicable laws, rules and regulations;
- (c) Liquidity position including working capital requirements and future cash flow requirements;
- (d) Capital expenditure requirements;
- (e) Resources required to fund acquisitions and/or new businesses;
- (f) Outstanding borrowings including stipulations/covenants of loan agreements; and
- (g) Cost and availability of alternative sources of financing.

Internal Factors:

- (a) Growth rate of past earnings and predicted earnings;
- (b) Track record of Dividend distribution;
- (c) Investment needs of existing business;
- (d) Investment in subsidiaries/joint ventures/associates;
- (e) Buyback options; and
- (f) Providing of unforeseen event and contingency with financial implications.

External Factors:

- (a) Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- (b) Macroeconomic and business conditions in general.

The Board may consider not declaring Dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

If the Company proposes to declare Dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

4. UTILIZATION OF RETAINED EARNING

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- (a) Market expansion plan;
- (b) Capital expenditure for working capital;
- (c) Inorganic and organic growth strategies;
- (d) Increase in production capacity;
- (e) High cost of debt;
- (f) Long term strategic plans;
- (g) Replacement of capital assets;
- (h) General corporate purposes, including contingencies and
- (i) Such other criteria as the Board may deem fit from time to time.

5. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for Dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

6. MANNER OF DIVIDEND PAYOUT

Interim Dividend:

Interim Dividend, if any, shall be declared by the Board. The payment of Dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the Dividend on the record date, as per the applicable laws.

Final Dividend:

The Dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company. The payment of Dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the Dividend on the record date/book closure period, as per the applicable laws.

The Dividend will be declared on per share basis only.

7. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Regulations, the Regulations shall prevail.

8. AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

9. EFFECTIVE DATE OF THE POLICY

This Policy was approved and adopted by the Board on January 31, 2022 and was reviewed and amended on May 29, 2023. The revised Policy shall be effective from May 29, 2023.

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Disclaimer:

a) The Policy does not constitute a commitment regarding the future Dividends of the Company, but only represents a general guidance regarding Dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.