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## **DIVIDEND DISTRIBUTION POLICY**

### **INTRODUCTION**

Regulation 43 A of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), mandates top 1000 listed entities, determined on the basis of their market capitalization as calculated on 31<sup>st</sup> March every financial year to formulate a Dividend Distribution Policy.

In compliance with Regulation 43 A of the Listing Regulations, the Company has framed this Dividend Distribution Policy ('Policy').

### **DEFINITIONS:**

- Financial Year, shall have the same meaning defined under Section 2(41) of the Companies Act, 2013 and any amendment thereto.
- Dividend includes interim dividend.
- Board of Directors means the collective body of directors of the Company.
- Company shall have the same meaning as defined under Section 2(20) of the Companies Act, 2013 and any amendments thereto.
- Profit shall mean profit after tax and deferred tax.

### **PURPOSE**

This Policy reflects the intent of the Company to reward to its shareholders by sharing the portion of its distributable profit after retaining sufficient fund for its future growth and maintaining the financial soundness of the Company. The purpose of this Policy is also to lay down the criteria to be considered by the Board of Directors of the Company ('the Board') in taking decision for recommending dividend to its shareholders for any Financial Year.

### **APPLICABILITY**

This Policy shall not apply to determination and declaration of dividend on preference shares, if any, issued or to be issued by the Company since dividend on preference shares will always be as per the terms of issue approved by the shareholders;

## **REGULATORY FRAMEWORK**

The Dividend, if any, declared by the Company shall be governed by the provisions of the Companies Act, 2013 read with the Companies (Declaration of Payment of Dividend) Rules, 2014, the Listing Regulations and the provisions of Articles of Associations of the Company, as in force from time to time ('the Applicable Laws').

## **THE INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND:**

Subject to the provisions of the Applicable Law, the Company's dividend payout will be determined based on available financial resources, growth/ investment requirements and fair shareholder return. The Company will broadly take into consideration the following financial parameters and/or internal and external factors to determine whether or not to declare dividend or to determine quantum of the dividend to be declared.

### **INTERNAL FACTORS**

- Profit earned during the Financial Year and the retained profit of the previous years in accordance with the provision of Section 123 and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder;
- Cash flow position of the Company and the debt equity ratio;
- Retained earnings;
- Reserves and Surplus
- Projection with regard to the performance of the Company;
- Fund requirement to finance capital expenditure;
- Funds requirement to finance any organic/ inorganic growth opportunities or to finance working capital needs of the Company;
- Opportunities for investment of the fund of the Company to capture future growth and current and future leverage;
- Dividend payout history.

### **EXTERNAL FACTORS**

- Business cycle and long term/ short term industry outlook;
- Cost of external financing;
- Changes in the government policy, rate of inflation and taxes structure etc.;
- Quantum of dividend pay-out by others comparable concerns etc.

The Company has been historically paying minimum 25% of its profit after tax as dividend to its shareholders. Considering various financial parameters, internal and external factors and

several other relevant factors, the Company may generally continue to pay minimum 25% of its profit after tax as dividend to its shareholders.

#### **CIRUCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The Company has been consistently paying out dividend to its shareholders and can be reasonable expected to continue in future as well, unless the company is restrained to declare the dividend due to insufficient profit or due to any of the internal and external factors listed above.

#### **Further,**

Though the Company endeavors to declare the dividend to the shareholders, the Board may propose not to recommend dividend after analysis a various financial and other parameters including those listed above, cash flow position and fund required for future growth and capital expenditure or instead of a proposal to utilize excess cash for buy back of existing share capital.

#### **POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILISED:**

The profit being retained in the business shall be continued to be deployed in business for meeting the operating expenses, capital expenditure, augmentation of working capital including servicing of term loan, cash outflow for business growth and potential acquisition, if any, does contributing to the growth of the business and operations of the company.

The company stands committed to deliver sustainable to all its stakeholders.

#### **AMENDMENTS AND UPDATES**

To the extent any change / amendment is required in terms of any applicable law or change in regulations, the regulation shall prevail over this policy. In such a case the provisions in this policy would be modified in due course to make it consistent such amended law and the amended policy shall be placed before the board for noting and necessary ratification.

#### **PARAMETERS THAT SHALL BE ADOPTED WITH REGRAD TO VARIOUS CLASSES OF SHARES:**

The holders of the equity shares of the Company as per the paid - up equity share Capital, on the record date/book closure date(s), are entitled to receive dividends. The other class of shares for example Preference Shares, if any, or shares with differential voting rights, if any, will be governed by the terms of the issue of such shares. Any convertible instruments into equity share that may be issued by the Company shall be entitled for dividend only upon conversion into equity share.

## **REVIEW OF POLICY**

The Board of Directors will review the policy periodically and consider modifying, amending, deleting any of the provisions of this policy. If the Board , at any time, proposes to declare dividend on the basis of criteria other than those specified in this Policy, proposes to modify any of the criteria, then it shall disclose such changes, along with the rationale for the same to the shareholders on the Company's website and in Annual Report.

## **DISCLAIMER**

This policy does not purport to solicit investment in the Company's equity shares nor this policy purports to provide any kind of assurance to shareholders of any guaranteed returns (in any form), for investments in the Company's equity shares.

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