

## **DIVIDEND DISTRIBUTION POLICY**

The Securities Exchange Board of India (“SEBI”) vide a gazette notification dated 6<sup>th</sup> May, 2021 notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 which made it mandatory for top 1000 listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy. The Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 framed the policy approved by the Board of directors in their meeting held on 30<sup>th</sup> June 2021.

### **PURPOSE**

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, to address future needs of the Company.

Subject to the provisions of the applicable law, the Company’s dividend payout will be determined based on available financial resources, investment requirements and considering optimal shareholder return.

### **PARAMETERS FOR DECLARATION OF DIVIDEND**

#### **FINANCIAL**

- Profits earned during the financial year as compared with Previous years and Internal budgets,
- Cash flow position of the Company
- Accumulated reserves
- Earnings stability
- Future cash requirements for organic growth/expansion
- Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities
- Deployment of funds in short term marketable investments
- Long term investments
- Capital expenditure(s)
- The ratio of debt to equity



## INTERNAL & EXTERNAL

- Business cycles
- Economic environment
- Cost of external financing
- Applicable taxes including tax on dividend
- Industry outlook for the future years
- Inflation rate
- Changes in the Government policies, industry specific rulings & regulatory provisions

## GENERAL

1. Based on the above parameters, the Board of Directors may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.
2. In case the Board of Directors proposes not to distribute the profit in any year; the grounds thereof shall be disclosed to the shareholders in the Annual Report of the Company.
3. The retained earnings will be utilized in accordance with the applicable provisions of the Companies Act 2013, the applicable Rules thereunder, SEBI regulations and the Articles of Association of the Company.
4. The Company presently has only one class of shares namely Equity Shares of Re. 1 each.
5. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy
6. Apart from the above the company may consider the past dividend history and sense of shareholders' expectations while determining the rate of dividend.

## REVIEW & AMENDMENT

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

