

DIVIDEND DISTRIBUTION POLICY

Preamble

This Dividend Distribution Policy ("Policy") has been formulated pursuant to the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time.

Objective

The objective of this Policy is to lay down the basis and the factors to be considered for recommendation and / or declaration of dividend by the Board of Directors.

Applicability

This Policy shall apply to the issued share capital of the Company.

Criteria to be considered

1. Statutory and Regulatory Compliance: The Company shall ensure compliance with all statutory and regulatory provisions including Companies Act, 2013 read with rules, circulars, notifications etc., SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable and amended from time to time.
2. Financial Parameters: a) Financial performance including adequacy of profits;
b) Interim Dividend, if any;
c) Operating cash flows;
d) Working capital requirements;
e) Outstanding borrowings;
f) Capex requirements;
g) Such other factors as may be deemed fit by the Board.
3. Internal Factors: a) Past performance and reputation of the Company;
b) Outlook and business expansion, diversification & growth plans;
c) Corporate actions including restructuring, acquisition, etc.;
d) Investments in subsidiaries, associates or otherwise;
e) Unforeseen events / Contingent liabilities, if any.
4. External Factors: a) Statutory requirements including tax implications;
b) Macro-economic environment;
c) Market competition including viability.

Circumstances under which dividend may or may not be expected

The Board may not recommend and / or declare any dividend if there is any statutory / regulatory restriction placed on the Company, including:

1. The need to conserve capital for future growth or other exigencies;
2. The profits are inadequate or the Company has reported a net loss;
3. Cash flow from operations is negative;
4. Other corporate actions, like buy-back of shares;
5. Any other circumstances that the Board deems fit.

In any of the above cases, the Board will provide the grounds for not recommending and / or declaring dividend in the Annual Report of the Company.

Utilization of retained earnings

Subject to the discretion of the Board, the retained earnings may be utilized in a manner beneficial to the interests of the Company and its stakeholders, including:

1. Expansion plans;
2. Capital expenditure requirements;
3. Diversification of business;
4. General corporate purposes including contingencies;
5. Any other purpose as may be deemed appropriate.

Parameters for various class of shares

1. The payment of dividend shall be based on the respective rights attached to each class of shares.
2. Dividend shall be first paid to the preference shareholders, if any, as per their terms of issue and thereafter, on equity shares.
3. In case of other classes of shares, the Board of Directors may specify the parameters in conjunction to their terms of issue.

Disclosure

Adequate disclosures pertaining to this Policy shall be made in the Annual Report and on the website of the Company as required.

Amendments

1. The Board may review and amend this Policy as and when it deems necessary.
2. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.
