



Dividend Distribution Policy

1) PREAMBLE

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, in order to address future needs of the Company.

The objective of this policy is to provide clarity to shareholders on the dividend distribution framework adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, statutory requirements under applicable laws including the provisions of the Companies Act, 2013 ("the Act"), Companies (Declaration and Payment of Dividend) Rules, 2014 ("the Rules") and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Listing Regulations"), as amended from time to time.

2) EFFECTIVE DATE

The policy shall come into force for accounting periods beginning from April 01, 2021.

3) DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and long-term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4) DIVIDEND

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.

The Dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act, Rules and Listing Regulations, as may be applicable from time to time.

5) CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 and Listing Regulations, as may be amended from time to time. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and



the planned and further investments for growth, apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if they are of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors such as prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

6) INTERIM AND FINAL DIVIDEND

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

7) FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

A. The Board of Directors of the Company shall consider the following factors while declaring or recommending dividend to shareholders:

Internal Factors:

- i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years
 - b. Internal budgets
- ii. Cash flow position of the Company
- iii. Accumulated reserves
- iv. Earnings stability
- v. Future cash requirements for organic growth/expansion and/or for inorganic growth plans and reinvestment opportunities
- vi. Past Dividend Trends
- vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities
- viii. Long term investments
- ix. Capital expenditure(s)
- x. Any restrictive covenant(s) as may be agreed by the Company with the Banks/Financial Institutions on declaration of dividend with respect to Term loan(s) or any other Financing availed by the Company from time to time; and
- xi. Any other Contingency Plans

B. External Factors:

- i. Business cycles
- ii. Economic environment
- iii. Cost of external financing



- iv. Applicable taxes including tax on dividend, if any
- v. Industry outlook for the future years
- vi. Changes in the Government policies, industry specific rulings & regulatory provisions.

8) MANNER OF DIVIDEND PAYOUT

Given below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations

In case of final dividends:

- a. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- b. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.
- c. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

In case of interim dividend:

- a. Interim dividend, if any, shall be declared by the Board.
- b. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- c. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.
- d. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

9) POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILISED

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- i. Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- ii. Investment in new business(es) and/or additional investment in existing business(es)
- iii. Buyback of shares subject to applicable limits
- iv. Payment of Dividend in future years
- v. Issue of Bonus shares / Capitalisation of shares
- vi. General corporate purposes, including contingencies
- vii. Correcting the capital structure
- viii. Any other permissible purpose as per laws applicable



10) CONFLICT IN POLICY

In the event of a conflict between this policy and the extant law and/or regulations, the law or the regulations, as may be the case, shall prevail.

11) POLICY AMENDMENTS / DEVIATIONS

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the applicable changed/amended law and/or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with such changes/amendments in the law and/or regulations. Such amended policy shall be placed before the Board for noting and necessary ratification.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner through the company's website and/or other such means as may be required by law.

If the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same in the Company's relevant Annual Report.

12) DISLCOSURE OF POLICY

As prescribed by Regulation 43A of the Listing Regulation, this policy will be available on the Company's website and will also be disclosed in the Annual Report of the Company.

13) REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

14) COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.