



DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”), the Company is required to formulate a dividend distribution policy which shall be disclosed in its Annual Report and on its website. Accordingly, the Board of Directors of the Company (the “**Board**”) has approved this Dividend Distribution Policy of the Company (the “**Policy**”). The objective of the Policy is to provide the dividend distribution framework to the stakeholders of the Company.

2. DECLARATION OF DIVIDEND

The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders of the Company for their approval in the General Meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, the Listing Regulations and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

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. Retained earnings will be used *inter alia* for the Company’s growth plans, working capital requirements, debt repayments and other contingencies.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend distribution is a critical decision as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in business operations. This decision should serve the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio. The shareholders may not expect dividend in the following circumstances:

- In the event of loss or inadequacy of profit.
- Proposed expansion plans requiring higher capital allocation.
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow.
- Requirement of higher working capital for the purpose of business of the Company
- Proposal for buy-back of securities

4. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend distribution decision of the Board depends upon the following factors:

Financial Parameters and Internal Factors	External Factors
<ul style="list-style-type: none"> ▪ Operating cash flow of the Company ▪ Profit earned during the year ▪ Profit available for distribution ▪ Earnings per share (EPS) ▪ Working capital requirements ▪ Capital expenditure requirement ▪ Business expansion and growth ▪ Likelihood of crystallization of contingent liabilities, if any ▪ Additional investment in subsidiaries and associates of the Company ▪ Up gradation of technology and physical infrastructure ▪ Creation of contingency fund ▪ Acquisition of brands and business ▪ Cost of Borrowing ▪ Past dividend distribution trends 	<ul style="list-style-type: none"> ▪ Economic environment ▪ Capital markets ▪ Global conditions ▪ Statutory provisions and guidelines ▪ Dividend payout ratio of competitors

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

As of now the Company has issued only one class of equity shares with equal voting rights. Therefore all shareholders of the Company are entitled to receive the same amount of dividend per equity share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

6. GENERAL

If the Board decided to deviate from this Policy, the rationale for the same will be suitably disclosed.

This Policy would be subject to revision / amendment on a periodic basis, as may be necessary.