

Dividend Distribution Policy

1. Background

The Dividend Distribution Policy is formulated as required by the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Philosophy

The Company believes that ploughing back of profits for driving growth is important in the long run for the creation of robust Shareholder value. At the same time, it recognises the need to give a portion of the profit as payout by way of appropriate rate of dividend to Shareholders. Thus, the Company strikes a judicious balance between the two while recommending the dividend rate for approval of the Shareholders.

3. Parameters for declaration of dividend

a. Financial parameters | Internal factors:

- i. Consolidated net operating profit after tax
- ii. Working capital requirements
- iii. Capital expenditure requirements
- iv. Resources required to fund acquisitions and | or new businesses
- v. Cash required to meet contingencies
- vi. Quantum of outstanding debt
- vii. Past dividend trends
- viii. Investments in subsidiary | associate companies
- ix. Outlook for the near term

b. External factors:

- i. Government policies
- ii. Economic environment and outlook for growth
- iii. Trade cycles
- iv. Dividend rates of companies in the same industry
- v. Any other factor having impact on the business of the Company

4. Circumstances under which Shareholders may or may not expect dividend

Shareholders may generally expect a reasonable dividend in case of significant Profit After Tax (PAT) and cash flow from operations.

5. Utilisation of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the Parameters laid down in this Policy.

6. Parameters adopted with regard to various classes of shares

- a. Presently, the Authorised Share Capital of the Company is divided into equity share of Rs 10 each and preference share of Rs 100 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.
- b. The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend will be declared on equity shares.

7. Amendment

This Policy may be amended by the Board of Directors.