Dividend Distribution Policy

Dividend Distribution Philosophy

The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders including customers, debtors, suppliers, employees and the Government. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.

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.

Circumstances Under Which Shareholders Can Expect Dividend

The Board will assess the Company's financial requirements, including its growth opportunities and other pertinent factors for the purpose of considering dividend. The dividend for any financial year shall ordinarily be paid out of the Company profits for that year in terms of the provisions of the Companies Act, 2013 ("the Act").

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 and Regulations, as applicable

Interim and Final Dividend

The Board may declare one or more Interim Dividends and recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.

Financial Parameters and Other Internal and External Factors to be Considered for Declaration of Dividend

- Distributable surplus available as per the Act and Regulations
- Track record of Dividends distributed by the Company
- Pay-out ratios of comparable companies
- Prevailing taxation policy and legal requirements with respect to Dividend distribution
- Capital expenditure requirements
- Stipulations/ Covenants of loan agreements, if any
- Macro-economic and business conditions in general
- Any other relevant factor that the Board may deem fit to consider

Utilization of Retained Earnings

Subject to applicable Regulations, the Company's retained earnings may be applied for:

- Organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Inorganic growth needs such as acquisition of businesses, establishment of joint ventures, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

Circumstances Under Which the Shareholders May Not Expect Dividend

In line with the Dividend Distribution Philosophy, there may be certain circumstances under which the shareholders may not expect dividend, including:

- The Company has sufficient avenues to generate significantly higher returns on surplus than what a common shareholder can generate himself
- In case of utilization of retained earnings as mentioned in this Policy
- The Company has incurred losses or there is inadequacy of profits.

Modification of the Policy

The Board may modify this policy from time to time at its discretion or in line with any amendment made in the Act or applicable Regulations.

Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares."

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