



DIVIDEND DISTRIBUTION POLICY

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DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

Regulation 43A(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”) requires the top 1000 listed entities based on market capitalization to formulate a Dividend Distribution Policy (“**Policy**”) which shall be disclosed on their website and a weblink to the Policy shall be provided in the Annual Report.

OBJECTIVE

The Company is committed to enhance corporate value by developing/expanding its businesses and at the same appropriately rewarding the Shareholders by distributing dividends to them from time to time out of profits/reserves of the Company.

The objective of this Policy is to provide guidelines to the Board of Directors of the Company (“**Board**”) in balancing the dual objectives of appropriately rewarding the shareholders through Dividends and retaining capital to support development/expansion of the Company and maintain a healthy capital adequacy ratio.

This Policy also aims to set out the key parameters and circumstances that board need to consider for arriving at the dividend distribution decision/recommendation. The board may in extraordinary circumstances, deviate from the guidelines of this policy by recording the reasons thereof.

The Board has adopted a progressive dividend distribution policy which would under normal circumstance be previous year’s actual paid dividend as a floor with increase in line with the company’s growth, while adhering to pay sustainable dividend keeping in view the company’s policy of meeting the long-term growth objectives from internal cash accruals.

APPLICABILITY

The Company currently has only one class of shares i.e., equity, for which this Policy shall be applicable when the Company falls under the Top 1000 listed Companies as per market capitalization. The policy is subject to review if and when the Company issues different classes of shares.

DIVIDEND

“**Dividend**” shall mean Dividend as defined under the Companies Act, 2013 or the Listing Regulations together with circulars issued thereunder, including any statutory modifications or re-enactments thereof or the time being in force.

DECLARATION/RECOMMENDATION OF DIVIDEND

The Board may declare one or more Interim Dividends during the financial year. Additionally, the Board may recommend Final Dividend for the approval of the



shareholders at the Annual General Meeting (“AGM”). The Board may declare/recommend Special Dividend as and when it deems fit.

The date of the Board meeting in which the Dividend proposal will be considered, will be disclosed to the Stock Exchanges, as required in the SEBI LODR Regulations.

PER SHARE BASIS

The dividend will be declared on per share basis only.

FACTORS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board shall consider the following parameters while declaring dividend or recommending dividend to shareholders:

Internal

- (a) Current year profits, existing reserves and future projections of profitability
- (b) Funds required towards working capital, servicing of outstanding loans and capital expenditure;
- (c) Funds required for merger/acquisitions and towards execution of the Company’s strategy;
- (d) Minimum cash required for contingencies or unforeseen events;
- (e) Debt obligations of the Company;
- (f) Past dividend pattern;
- (g) Reputation of the Company;
- (h) Maintaining of required liquidity and return ratios; and
- (f) Any other significant developments that require cash investments

External

- (a) State of the domestic and global economy, capital market conditions and dividend policy of competitors;
- (b) Competition or client related risks
- (c) Legislations impacting business or tax
- (d) Client related risks
- (e) Any other external matter or risk
- (f) Industry outlook for future years.
- (g) Providing for any contingencies.
- (h) Dividend pay-out ratios of Companies in the same industry.
- (i) Taxation policy
- (j) Obligations to lenders

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



UTILIZATION OF RETAINED EARNINGS

The profits earned by the Company which will be left after distribution of dividend can be retained in the business or used for various purposes as follows:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of Dividend in future years;
- Issue of Bonus shares and
- Any other permissible purpose

CIRCUMSTANCES UNDER WHICH THE BOARD MAY NOT RECOMMEND DIVIDEND

The Board may choose not to recommend a dividend, if there are important strategic priorities which require large investments which would deplete the Company's cash reserves or due to uncertainties in the business performance in the near to medium term or due to regulatory/contractual restrictions or if there an inadequacy or absence of profits, or higher working capital requirements for business operation of the Company, if any.

APPROVAL PROCESS

The decision regarding Dividend shall be taken only by the board at its meeting and not by a committee of the board or by way of a resolution passed by circulation. Final dividend shall be paid only after approval at an annual general meeting of the members. The members' approval is not required for payment of interim dividend.

ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- a. Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- b. Timelines: The payment of dividend shall be made within the time prescribed under the the Companies Act, 2013 or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of interim dividend and within 30 days from the declaration by the shareholders in the AGM in case of final dividend.

DISCLOSURE OF THIS POLICY

The Company shall disclose this Policy on its website and the web link of the same will be provided in the Annual Report of the Company.

AMENDMENT

The Board is authorized to change/ amend/ alter this Policy from time to time at it's sole discretion and/ or in pursuance of any amendments made in the Companies Act, 2013, the SEBI LODR Regulations, etc. In the event of any conflict between this Policy and the provisions contained in the applicable regulations, such regulations shall prevail.



DISCLAIMER

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