

DIVIDEND DISTRIBUTION POLICY

1. Objective

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 as amended. Recognizing the need to lay down a board framework for deciding the matters pertaining to distribution of Dividend and / or retaining the profits of the Company the Board of Directors of the Company at their meeting held on 12th August 2021 have laid down and adopted this Policy.

2. Parameters to be considered for declaration of Dividend

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Board of Directors may declare interim dividend/recommend final dividend for consideration of shareholders of the Company. The Company's dividend payout will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder.

- a) Statutory requirements.
- b) If during any financial year the profits of the Company are inadequate, the Board may decide not to declare Dividends for that financial year.
- c) Contractual obligations.
- d) Prudential requirements, viz., To ascertain the needs for capital conservation and appreciation; To build sufficient reserves of retained earnings; To augment long-term financial strength; and to build a pool of internally generated funds to provide long-term resources as well as resource raising potential for the Company;
- e) Proposals for major capital expenditures, etc.,
- f) Macroeconomic conditions: Considering the state of the Country's economy, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to meet unforeseen circumstances.
- g) Operating cash flow of the Company.
- h) Dividend receipt from Subsidiaries/Associates/Joint Venture.
- i) Any windfall, extra-ordinary or abnormal gains made by the Company.
- j) Any other factor not explicitly covered above but which is likely to have a significant impact on the Company's working/financial position.

Dividends shall be paid out of the Company's distributable profits and / or free reserves and shall be allocated among the shareholders on a pro-rata basis according to the type and class of shares held, respective rights attached and their terms of issue.

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 would be declared on equity shares.

The Board, while considering the decision of Dividend Pay-out or retention of a certain amount or the entire profits of the Company for the year, shall, as far as possible, consider the expectations of the major stakeholders as also the small shareholders.

3. Utilization of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits of 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. Profits retained in the business will be invested in the business/operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure/acquisition(s) and for all other corporate purposes.

4. Applicability

Presently, the Authorised Share Capital of the Company is Rs. 425,00,00,000 divided into 31,60,00,000 Equity Shares of Rs. 10/- each; 55,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each and 3,00,00,000 Fully and Compulsorily Convertible Preference Shares of Rs. 18/- each. At present, the issued and paid-up share capital of the Company comprises of 20,36,40,336 Equity Shares of Rs. 10/- each and 12,50,000 Redeemable Cumulative Preference Shares of Rs. 100/- each.

5. Procedure

5.1 The dividend proposal placed before the Board for consideration shall be in terms of this Policy.

5.2 The Company shall ensure compliance to the provisions of applicable Laws and this Policy in relation to Dividend declared by the Company.

6. Disclosure:

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

7. This policy will be effective 12th August 2021 being the date of its approval by the Board of Directors of the Company.

7.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

7.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

7.3 In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
