

DIVIDEND DISTRIBUTION POLICY

(Amended version as approved by the Board of Directors of the Company w.e.f. January 29, 2020)

OBJECTIVE

The objective of the Dividend Distribution Policy of the Company is to reward its shareholders by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Company.

POLICY

The Company shall declare and pay dividend in accordance with the provisions of the Companies Act 2013, rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Shareholders may or may not expect Dividend based on following factors to be considered by the Board while declaring dividend:

- Consistency with the Dividend Guidelines as laid out by the Board
- Sustainability of dividend payout ratio in future
- Dividend payout ratio of previous years
- Macroeconomic factors and business conditions

Retained earnings are intended to be utilized for:

- Investments for future growth of the business
- Dealing with any possible downturns in the business
- Strategic investment in new business opportunities
- Any other purpose as may be deemed fit

CATEGORY OF DIVIDENDS

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

DIVIDEND GUIDELINE

The Board at its discretion, while approving the annual accounts in each financial year, may also recommend the dividend for approval of the shareholders after taking into account the free cash flow position, the profit earned during that year, the Capex requirements and applicable taxes. If during any financial year the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year. A dividend policy stated by the current Board cannot be binding on the extant Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to the shareholders.

TARGET DIVIDEND

The Company strikes to maintain an equilibrium between retaining sufficient funds for the growth of the Company & meeting contingency and also rewarding & providing return to shareholders.

Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board of Directors may recommend/ declare the dividend for declaration as deemed fit.

Rationale for Change in Dividend Distribution Policy

At the time of adoption of Dividend Distribution Policy, the Board of Directors of the Company have been empowered to periodically review the policy and make out the necessary changes as they deem fit. Keeping in view the requirements of current scenario, the Board of Directors in their Board meeting, which was held on January 29, 2020, have amended the existing policy and adopted the revised one with effect from January 29, 2020.

REVIEW

This policy shall be reviewed by Board from time to time.