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CIN L28920MH1988PLC047335

DIVIDEND DISTRIBUTION POLICY

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements), 2015]

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A. Document Control

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Date of publication	[DD / MM / YYYY]
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Process Owner	
Approval By	Board of Directors

B. Revision History

Version	Date of issue	Reason for change
1	13/11/2018	Policy adopted
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1. PREAMBLE:

The Securities and Exchange Board of India vide its Notification No. SEBI/LADNRO/GN/201617/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year. In compliance with Regulation 43A of the Listing Regulations, the Company has framed Dividend Distribution Policy which will be effective from the date of adoption of the same by the Board of Directors (the Board).

2. OBJECTIVE:

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

3. REGULATORY FRAMEWORK:

The Dividend, if any, declared by the Company (including Interim Dividend) shall be governed by the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the provisions in Company's Articles of Association. The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings.

4. GENERAL

The Board shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The Board would consider the following parameters before declaring or recommending dividend to shareholders:

A. Financial and Internal Parameters: –

- Stand-alone and Consolidated net operating profit after tax
- Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;

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- Investments required towards execution of the Company's strategy including inorganic growth towards acquisitions
- Cash flow required to meet contingencies or towards any unforeseen events
- Funds required to service outstanding borrowings keeping in mind the total debt equity ratio and other liquidity ratios
- Any other significant developments that require cash investments
- Past dividend payment trends of the Company.

B. External Parameters–

- Change in statutory requirements and any regulatory restrictions within which the company operates
- Provisions of Tax laws governing dividend
- Economic environment in India and state of the capital markets
- Change in competitive environment requiring significant investment
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model

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5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Company has been paying out dividends to its shareholders and can be reasonably expected to continue declaring in future as well unless the Company is restrained to declare dividend due to insufficient profits or due to any of the internal or external factors listed above.

Further, though the Company endeavours to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buyback of existing share capital.

6. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED:

The profits being retained in the business shall continue to be deployed for augmentation of working capital, repayment of term loans, Capital expenditure, to fund acquisitions, to fund in-organic growth and thus contributing to the growth of business and operations of the Company.

7. PARAMETERS THAT SHALL BE ADOPTED ABOUT VARIOUS CLASSES OF SHARES:

The Authorised Share Capital of the Company is divided into equity share of face value Rs. 1 each and Preference shares of face value Rs. 1 each. At present, however, the issued and paid-up share capital of the Company comprises of only equity shares. The Company shall first declare dividend on outstanding preference shares if any, as per the terms of issue of such preference shares, and thereafter, the dividend would be declared on equity shares.

The equity shareholders of the Company, as on the record date to be decided, shall be entitled to receive dividends.

8. PROCEDURE FOR DECIDING QUANTUM OF DIVIDEND:

- The Chief Financial Officer (CFO) after considering the parameters mentioned above and in consultation with the Managing Director (MD) may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- The final dividend recommended by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting.
- The interim dividend declared by the Board requires confirmation by the shareholders in the ensuing Annual General Meeting.
- In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and Regulations from time to time.

9. DISCLOSURE:

The Company shall make appropriate disclosures as required under the Listing Regulations.

10. AMENDMENTS:

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

10. EFFECTIVE DATE:

This policy shall be effective from November 13, 2018.

Date:
Place:

Managing Director