

ANANDRATHI

Anand Rathi Wealth Limited

Dividend Distribution Policy

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Objective

This policy has been adopted by the Board of Directors of the Company pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to determine the parameters and factors which are to be considered for declaration of dividend. This Policy applies to both interim and final Dividend declared or recommended by the Board of Directors of the Company in compliance with Section 123 of the Companies Act 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Policy shall broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time

Forms of Dividends

Final Dividend: The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company.

Interim Dividend: This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy and subject to the provisions of the Companies Act, 2013, the Rules thereunder and any other applicable regulations or stipulations, as the case may be.

Regulatory Framework

This Policy is framed in accordance with the requirements under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

Policy

(i) The financial parameters that shall be considered while declaring dividends:

- a. Profits for the current year and future outlook for the Company
- b. Working Capital needs and operating cash flow
- c. Capital Expenditure requirements
- d. Dividend pay-out ratio
- e. Company's investment plans and related cash utilization, which has potential to create greater value for the shareholders
- f. Any other relevant factors that the Board may deem fit to consider before declaring dividend.
- g. Any other permitted usage as per the Companies Act 2013

(ii) Internal and external factors that shall be considered for declaration of dividend:

Following are the Factors that would be considered before declaration or recommendation of Dividend:

- a. The Internal Factors to be considered includes reserves & surplus and estimated profit for the following year, past dividend history, capital expenditure plans, working capital requirements, provision for unforeseen material events/contingencies and other business plans/projects.
- b. The External Factors to be considered includes, regulatory constraints impacting business, bank interest rate on surplus funds, dividend pay-out ratios of the peer companies, macro-economic factors and general business environment, etc.

(iii) Quantum of Dividend

Board may consider quantum of dividend based on consideration of various financial & non-financial parameters and normally it may range between 25% to 50% of net profit of the Company.

(iv) Frequency of payment of dividend

Board may decide both interim dividend and financial dividend considering financial and other parameters.

(v) Utilization of retained earnings:

Retained earnings shall be available for disposal by the Board as they deem fit in their absolute discretion in the interest of all Shareholders. The Company may declare dividend out of the profits of the Company for the year or out of the profits for 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.

(vi) Circumstances under which shareholders may or may not expect dividend:

In the ordinary circumstances the Board of Directors may consider recommending dividend on an annual basis. The Board will take into account, the Company's profitability, cash needs for working capital and capital expenditure and other relevant factors like dividend pay-out ratio, etc. while recommending dividend for any financial year. However, in the event where the Company's profits are inadequate or the Company suffers losses, the Board may consider recommending a lower dividend than the normal rate of dividend or may not recommend dividend.

After giving due consideration to the below parameters, the Company will strive to pay dividend. The dividend pay-out will be calibrated in the range of 25% to 50% of the Consolidated Net Profit of the Company.

(vii) Parameters with regards to various classes of shares:

Presently, the issued share capital of the Company comprises of only one class of equity shares of Rs.5 each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

Amendments/Review

The Board may, subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Regulations; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

Disclosure

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.
