

## **ALEMBIC LIMITED**

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### ***DIVIDEND DISTRIBUTION POLICY***

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Details of Adoption / Amendments to the Policy				
<b>Policy Adoption / Change effective Date</b>	<b>Clause No.</b>	<b>Particulars of the Adoption / Change</b>	<b>Board Approval Date</b>	<b>Version of Policy</b>
06/08/2021	-	Adoption of Policy	06/08/2021	Original
<b>08/11/2023</b>	Policy Amendments	Change of Authorised Persons to amend the Policy	08/11/2023	V-2

## **1. Policy Statement::**

The Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The Company being predominantly in capital intensive real estate sector believes in utilizing internal resources for managing business and growth and to have minimal dependence on borrowed funds. The Company will endeavor to maintain the Dividend Payout Ratio ranging generally between 10% - 75% of the Profit after Tax on standalone financials. However, non-recurring profits arising out of one time opportunities will not be considered.

## **2. Scope:**

The Policy set out herein relate to Equity Share Capital in accordance with the provisions of Section 43 of the Companies Act, 2013. While the Policy generally relate to Final Dividend, it also applies to Interim Dividend declared by the Board of Directors of the Company.

## **3. Objectives:**

- a) To define the Policy and Procedures of the Company in relation to the calculation, declaration and settlement of Dividends.
- b) To create a transparent and methodological Dividend Policy, clearly identified and promptly communicated to appropriate stakeholders.

## **4. Applicability and Effective Date:**

This Policy shall be effective from 6<sup>th</sup> August, 2021 and applicable from F.Y. 2021-22 onwards.

## **5. Parameters / Factors to be considered:**

### **A) Financial Parameters and Internal Factors:**

While recommending / declaring dividend, the Board will consider financial parameters and internal factors, including but not limited to,

1. Standalone profit after tax
2. Working Capital

3. Resources required to fund acquisition of land parcels for the real estate business and construction of new projects
4. Capital expenditure for creating leasing assets with longer gestation periods
5. Cash flow required to meet contingencies
6. Past Dividend trends

**B) External Factors:**

While recommending / declaring Dividend, the Board will consider external factors such as:

1. General economic conditions and state of real estate sector
2. Possibility of earning consistent profit / cash flows
3. Changes in Government policies impacting the Company's businesses
4. Dividend declared by investee companies as the Company earns a substantial portion of its income by way of dividend from investee companies
5. Tax policy

**6. Dividend Expectations:**

The recommendation of Dividend will always be at the sole discretion of the Board. The Board will recommend and / or declare Dividend after reviewing this Policy keeping in mind the business environment and requirements of the Group.

The decision on whether to declare and pay Dividends will be a separate item of agenda at the AGM.

In case of sufficient reasonable profits, the Board may endeavor to declare Dividend in the Dividend Payout Ratio mentioned above, as it may deem appropriate. However, in case of inadequacy of profits in any year, the Board may decide to conserve profits of the Company and utilize them for further business purposes or meeting business exigencies.

**7. Utilisation of Retained Earnings:**

The Company will endeavor to utilize Retained Earnings for business requirements including, but not limited to, working capital, investments, acquisitions, creating long term leasing assets, etc.

## **8. General Procedure:**

- a) The Company's Board of Directors will be responsible for generating all resolutions on the declaration and payment of Dividends.
- b) The Board of Directors will have the power to recommend final Dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors will have the absolute power to declare Interim Dividend during the financial year, as and when they consider it fit.
- c) The resolution of the Board of Directors for Final Dividend will be presented in the form of a recommendation to the Shareholders.
- d) The decision on whether to declare and pay Dividends will be a separate item of agenda at the AGM.
- e) The decision on the Dividend amount payable and the payment procedure will be made by the Board of Directors at a meeting where the resolution for distribution of the Company's net profit for the financial year is made by the directors and recommended to the Shareholders.
- f) Any declaration to pay Dividends may provide the following:
  - (i) The type and class of shares on which the Dividends have been declared;
  - (ii) The amount of Dividends per share;
  - (iii) The period for payment; and
  - (iv) The form of payment.

## **9. Persons entitled to receive Dividends:**

- a) The list of persons entitled to receive Dividends will be prepared by the Company's Registrar and Transfer Agent (RTA) in accordance with the record date determined by the Company for such purpose.
- b) Such list will include registered shares and the persons on behalf of whom the nominal holders own the shares as on the record date.

- c) For the preparation of the list of persons entitled to receive Dividends, nominal shareholders will provide information on the persons for whom they hold shares.

#### **10. Paying Declared Dividends:**

- a) In case of Final Dividend, the date on which annual Dividends are paid will be determined by the Directors and mentioned in the Notice convening the AGM. The date of payment of Interim Dividends will be determined by the Board of Directors.
- b) No interest shall accrue on unclaimed Dividends.
- c) Any matters relating to the payment of Dividends and not governed by the Law, the Company's Articles of Association and policies, will be decided by the Board of Directors in a manner, which takes into consideration and complies with the rights and legitimate interests of shareholders.

#### **11. Board Approval:**

The Board of Directors of the Company at its meeting held on 6<sup>th</sup> August, 2021 has approved the Dividend Distribution Policy.

#### **12. Policy Amendments:**

The Board and the persons duly authorised by it shall severally have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

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