

DIVIDEND DISTRIBUTION POLICY

Objective:

The Company shall strive to drive growth and thereby maximize shareholder's value. The object of the policy is to strike a balance between dividend payout and need to retain earnings for future growth. This policy broadly specifies the external and internal factors that shall be considered while declaring dividend.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

General Policy of the Company with respect to Dividend:

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following:

- ✓ The Board shall after taking into consideration the operating and financial performance of the Company, the suggestion of executive management and other relevant factors, determine the dividend payout in a particular year.

- ✓ The Dividend should be paid to Fully paid up shares of the Company.

Parameters:

The Board shall consider the following parameters:

Shareholders may expect Dividend when the Company is having adequate surplus funds after providing all expenses, depreciation, etc, and complying all other statutory requirements of the Act.

Shareholders may not expect dividend:

- i. When the Sugar Industry Scenario is uncertain, even if the Company has earned profits in the year.
- ii. When there are regulatory restrictions.
- iii. Whenever it is proposed to utilize the surplus cash for buy back of securities.

Financial Parameters/Internal Factors:

In Addition to the aforesaid parameters, the decision of dividend payout or retention of profits shall also be based on the followings:

- a) Operating Cash Flows
- b) Long Term Strategic Plans

- c) Debt Repayment schedules and contractual constraints such as dividend restrictions in debt contracts and the current degree of financial leverage.
- d) Such other criteria as deemed fit by Board.

External Factors:

The various legal rules and limitation such as paying dividends that would weaken capital and policy decisions that may be formulated by the Government or in case of uncertain or recessionary economic and business conditions, the Company will attempt to retain larger part of profits to build up reserves to absorb future distress.

Policy to utilize retained earnings with regard to dividend:

The Company may declare dividend out of the profits of the Company for the year or out of profits for any previous year(s) or out of free reserves, in accordance with the provisions of the Companies Act 2013.

Review:

The Board may review and amend the policy, from time to time, as it may deem fit and/or to give effect to any amendment in any applicable law.

Information on dividends paid in the last 10 years is provided in the Annual Report.

The policy will be available on the Company's website and the link to the policy is:

The link of the policy will also be disclosed in the Company's annual report.
