

# **ASIAN GRANITO INDIA LIMITED**

## **DIVIDEND DISTRIBUTION POLICY**

### **BACKGROUND AND APPLICABILITY:**

Each Company follows different methodology based on various parameters for deciding the quantum of profit to be distributed as dividend to the shareholders and the quantum of profit to be retained. Since the business considerations, the environmental factors and requirement of funds for the growth of any Company differ based on the type of business, the scale of operations and the movement of business and economic cycles, each Company follows a different policy for the distribution of profits.

To enable the shareholders to make reasonable estimate of quantum of dividend that they are likely to receive, it would be important for them to know and understand the parameters influencing the Company's decision making in the matter.

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 notified on 8<sup>th</sup> July, 2016, have inserted Regulation 43A in the Listing Regulations requiring top 1000 listed companies based on the market capitalization (calculated as on March 31 of every financial year) to frame and adopt a Dividend Distribution Policy. The weblink of Policy is also required to be disclosed in the Annual Report and placed on Website of the Company.

It is worth noting that though the Company is not falling under the criteria of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, this policy is framed by the Company for better governance.

### **OBJECTIVE:**

The Board of Directors of the Company has already formed broad guidelines for distribution of dividend, which have been disclosed in the Directors' Report. Now as required by the Listing Regulations, the Board has formally framed and adopted this Dividend Distribution Policy.

The policy lays down the parameters and different circumstances that needs to be considered by the Board at the time of taking the decision for distribution and/ or retention of profits.

### **DEFINITION:**

In the Policy, unless the context otherwise requires:

**“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

**“Applicable Laws”** shall mean the Act, Listing Regulations and such other acts, rules or regulations which govern the distribution of Dividend; as amended from time to time.

**“Board” or “Board of Directors”** shall mean the collective body of the Directors of the Company.

**“Company”** means Asian Granito India Limited.

**“Dividend”** means dividend on equity shares of the Company and includes interim dividend. The Companies Act, 2013 (“the Act”) neither specifically defines the term Dividend nor makes any distinction between interim and final Dividend.

**“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time or any re-enactment thereof.

**“Policy”** means this Dividend Distribution Policy of the Company.

All the words and expression used in this Policy, unless defined in the Policy, shall have the same meaning respectively assigned to them under the Applicable Laws.

#### **PARAMETER/FACTOR GOVERNING DECLARATION OF DIVIDEND:**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among Shareholders and amount of profit to be retained in Business. The circumstances for dividend pay-out decision depends on various external and internal factors such as:

- a) **External Factors:** Condition of economic scenario, market scenario, various regulatory restrictions/ obligations, statutory obligations under various Acts, Agreement with lenders/ debenture trustees, cost of financing and any other factor beyond control of the management.
- b) **Internal Factors:** Future outlook and profitability, mergers & acquisition, expansion/ modernisation and other Capex needs, funds, required to meet any contingent liability, buyback and any other factors as deemed appropriate by the Board.
- c) any other factors or events considered relevant by the Board.

#### **DIVIDEND POLICY:**

Subject to the compliance with Applicable Laws, the Company shall endeavour to distribute approximately 10 to 15 % of its annual Consolidated Net Profit after tax as dividend (including all applicable taxes on distribution of such dividend) subject to sufficiency of standalone profits available for distribution of dividend in the relevant year. The distribution of dividend can be by way of Interim (in one or more tranches) and/ or Final Dividend.

In case of exceptional circumstances as defined above in parameter and factor, the Company may not declare Dividend.

The Board may deviate from the aforesaid criteria, subject to compliance with the provisions of the Applicable Laws and shall disclose such changes along with the rationale for the same in its annual report and on its website.

The retained earnings shall be utilised for funding the Company's business and operations, meeting with investment requirement for organic and inorganic growth and such other purposes as may be deemed fit from time to time.

The payment of dividend for all other classes of shares shall be based on the respective rights attached to each class of shares as per the terms and conditions of their issue, subject to the Applicable Laws.

**UTILISATION OF RETAINED EARNINGS:**

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilised as under:

- Research & Development for venturing into new products and markets
- Declaration of dividend - Interim or Final;
- Issue of fully paid-up bonus shares;
- Augmenting internal resources;
- Repayment of debt;
- Buyback / funding for Capex / expansion plans / acquisition;
- Any other permitted use.

**CIRCUMSTANCES UNDER WHICH DIVIDEND PAY-OUT MAY OR MAY NOT BE EXPECTED:**

The Board of Directors of the Company shall endeavour to distribute the profits amongst its shareholders when the company is having steady and consistent flow of earnings. In wake of certain circumstances namely shortfall in the surplus funds after giving effect to the taxes, depreciation and other deductions, the Company may not be able to distribute the available profits to the shareholders.

**PARAMETERS FOR VARIOUS CLASS OF SHARES:**

Currently as on date of this policy, the Company has only one class of shares i.e., Equity Shares only. Hence the parameters for different class of shares are not yet defined by the Company. The Policy shall be suitably reviewed / amended at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**EFFECTIVE DATE:**

This revised Dividend Distribution Policy will be effective from 30<sup>th</sup> January, 2024.

**REVIEW AND MODIFICATION OF THE POLICY:**

The Chairman of the Company is authorised to give appropriate directions and / or make changes in the policy for the purpose of resolving any doubts or difficulty that may arise in the implementation of the said Policy.

The Policy may be reviewed and revised from time to time by the Board. Any subsequent amendment/modification in the applicable statutes in this regards shall automatically apply to this Policy.

**AMENDMENT:**

The adequacy of this Policy shall be reviewed and reassessed periodically, based on the changes that may be brought about due to any regulatory amendments or otherwise.

In the event of any conflict between the provisions of this policy and of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules etc. including any amendments/modifications thereto shall prevail over this Policy.

**DISCLAIMER:**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

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\*The original policy was approved in the Board Meeting on 30<sup>th</sup> May, 2017.

\*This revised Dividend Distribution Policy has been approved by the Board of Directors of the Company at their meeting held from 30<sup>th</sup> January, 2024.