

# POLYCAB

POLYCAB INDIA LIMITED

## DIVIDEND DISTRIBUTION POLICY

<i>Particulars</i>	<i>Date</i>	<i>Version</i>
<i>Policy adopted</i>	<i>October 23, 2019</i>	<i>1.0</i>

## **OBJECTIVE**

The objective of the Dividend Distribution Policy of Polycab India Limited (hereinafter “Company” or “POLYCAB”) is to clearly define the Company’s strategy regarding the distribution and use of POLYCAB’s net profit to shareholders and all interested parties.

In the context of this policy, the dividends shall mean a part of the Company’s net profit distributed among shareholders in proportion to the amount of shares held by them.

The Dividend Policy intends to increase the Company’s fundamental value and provide for annual dividend payout based on the amount of profit and funds required for further development of POLYCAB. The objective of the Dividend Policy is to ensure stable dividend payouts to the Company’s shareholders.

## **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

## **PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND**

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for next three to five years
- Expected future capital / liquidity requirements
- Any other relevant factors and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

## **UTILISATION OF RETAINED EARNINGS**

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

## **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

## **CONFLICT IN POLICY**

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

## **AMENDMENTS**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.