

Minda Industries Limited

Dividend Distribution Policy

1. Background and applicability

This policy is being framed and published in compliance with regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

Minda Industries Limited (the “Company”) has approved this Dividend Distribution Policy (the “Policy”).

The intent of the Policy is to 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.

This policy will not be applicable to:

- (i) Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders
- (ii) Issue of Bonus Shares by the Company
- (iii) Buyback of Securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

POLICY

2. Circumstances under which shareholders can expect Dividend

The Board will assess the Company’s financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declare Dividend in any financial year.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits/General reserve of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

3. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be intimated to the stock exchanges, as required by SEBI Regulations.

4. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

The dividend pay-out decision of the Board depends upon the following financial parameters and internal and external factors-

Financial parameters and Internal Factors:

- i. The Company's liquidity position and future cash flow needs
- ii. Profit earned during the year
- iii. Profit available for distribution
- iv. Earnings Per Share (EPS)
- v. Working capital requirements
- vi. Acquisition of business, expansion and growth
- vii. Likelihood of crystallization of contingent liabilities, if any
- viii. Additional investment in subsidiaries and associates of the company
- ix. Up gradation of technology and physical infrastructure
- x. Creation of contingency fund
- xi. Cost and availability of alternative sources of financing
- xii. Track record of Dividends distributed by the Company
- xiii. Capital expenditure requirement
- xiv. Stipulations/ Covenants of loan agreements
- xv. Any other relevant factors that the Board may deem fit to consider before declaring Dividend

External Factors:

- i. Economic environment
- ii. Capital market(s)
- iii. Global conditions
- iv. Statutory Provisions and Guidelines
- v. Dividend payout Ratio of competitors

5. Utilization of retained earnings

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- i. Funding for inorganic and organic growth including working capital, capitalexpenditure, and repayment of debt.
- ii. Buyback of shares subject to applicable limits
- iii. Issue of Bonus shares
- iv. Any other permissible purpose

6. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.mindagroup.com.

7. Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the applicable laws such as Companies Act, 2013, SEBI Regulations.