



CEIGALL INDIA LIMITED DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

The Board of Directors (the “**Board**”) of Ceigall India Limited (“the “**Company**”) understands the importance of shareholders’ confidence and trust in the Company.

In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“**Policy**”) and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) as amended from time to time.

PURPOSE

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay- out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.

LEGAL FRAMEWORK

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a Dividend Distribution Policy (“Policy”) which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

CATEGORY OF DIVIDENDS

The Companies Act, 2013 provides for two forms of Dividend - Final and Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

Final Dividend

Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final Dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the ordinary business items that are require to be transacted at the Annual General Meeting.

Interim Dividend

Interim dividend may be declared by the Board one or more times in a financial year as may be deemed fit by the Board. The Board of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly or half-yearly financial accounts.

PARAMETERS TO BE CONSIDERED FOR DECLARING / RECOMMENDING DIVIDEND

A) Financial / Internal factors:

- Profits earned during the financial year, accumulated reserves and distributable profits.
- Working capital and capital expenditure requirement.
- Financial commitments with respect to the borrowings undertaken / proposed to be undertaken and interest thereon - Financial requirement for business expansion and/or diversification.
- Capital requirements for maintenance of appropriate capital adequacy ratio.
- Provisioning for financial implications arising out of unforeseen events and/or contingencies.
- Past dividend declaration trend of the Company, to the extent available.
- Such other factors and/or material events which the Board of Directors may consider relevant.

B) External Factors:

- Legal requirements / regulatory restrictions
- Macro Economic environment
- Cost of borrowing and covenants, if any, with lenders
- Business outlook for the future years - Government policies
- Prevalent market practices
- Any other factor which has a significant influence / impact on the Company's operations.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

While the decision to declare / recommend dividend shall primarily be dependent on the parameters mentioned above, the shareholders of the

Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- Broad adverse macroeconomic scenario which may require the Board to retain a larger portion of profits to build up reserves.
- Proposed expansion / diversification plans requiring higher capital allocation.
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures etc. which requires significant capital outflow.
- Regulatory restrictions / obligations which may restrict the issue of dividends.
- Requirement of higher working capital to support business and operations of the Company.
- Proposal for corporate action requiring significant capital outflow such as buy-back of securities.
- Cost of raising funds from alternate Sources- Funds for meeting contingent liabilities.
- In the event of loss or inadequacy of profit or cash flow available for distribution.

Other factors beyond control of the Company like natural calamities, fire etc. effecting the operations of the Company.

- 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 any proposed or ongoing or planned business expansion or other factors which may be considered by the Board. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the financial year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.
- Any other factor as deemed appropriate by the Board of Directors.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy, if any.

C) Retained Earnings:

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

CONFLICT IN POLICY

In the event of a conflict between this policy and the existing statutory regulations, the statutory regulations will prevail.

REVIEW & AMENDMENT

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

DISCLAIMER

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding this policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

The policy was approved by the Board on 02nd March,2024.