

Dividend Distribution Policy

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by Anant Raj Limited ("the Company") as well as enable the Company to strike a balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force for financial years beginning from 2021-22.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value of Rs. 2 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

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 shall recommend or declare all dividend and/or cash bonuses at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.

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

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio in the range of 5% to 30% of the annual standalone Profits after Tax (PAT) of the Company.

PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND:

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- Financial Parameters to be considered before recommending / declaring the dividend :
 - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years and

- b. Internal budgets,
 - ii. Earning stability
 - iii. Cash flow position of the Company and the cost of borrowings
 - iv. Current year's earnings from which dividend is to be paid
 - v. Auditors' qualifications pertaining to the statement of accounts,
 - vi. Post Dividend EPS
- Internal Factors:
 - i. Accumulated reserves
 - ii. Statutory requirements like transfer to statutory reserve fund etc.
 - iii. Liquidity position of the company including its working capital requirements and debt servicing obligations
 - iv. Future cash requirements for organic growth/expansion and/or for inorganic growth,
 - v. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
 - vi. Deployment of funds in short term marketable investments,
 - vii. Long term investments,
 - viii. Capital expenditure(s), and
 - ix. The ratio of debt to equity (at net debt and gross debt level).
 - x. Any other factor as deemed fit by the Board
- External Factors:
 - i. Business cycles,
 - ii. Economic environment,
 - iii. Cost of external financing,
 - iv. Applicable taxes including tax on dividend,
 - v. Industry outlook for the future years,
 - vi. Inflation rate, and
 - vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances as may be determined/ fixed by the Board of Directors from time to time in line with statutory requirements.



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

The Board shall consider the aforementioned before determination of any dividend payout and after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment, may not declare dividend or may recommend a lower payout for a given financial year,. In such an event, the Board will provide rationale in the Annual Report.

UTILISATION OF RETAINED EARNINGS:

The retained earnings of the Company may be used in any of the following ways:

- i. Working Capital,
- ii. Capital Expenditure,
- iii. Organic and/ or inorganic growth,
- iv. Investment in new business(es) and/or additional investment in existing business(es),
- v. Declaration of dividend,
- vi. Capitalisation of shares,
- vii. Buy back of shares,
- viii. General corporate purposes, including contingencies,
- ix. Correcting the capital structure,
- x. Any other permitted usage as per the Companies Act, 2013.

UNCLAIMED DIVIDENDS:

The Stakeholder Responsibility Committee shall review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases

DISCLOSURES:

- i. Information on dividends paid in the last 3 years is provided in the Annual Report.
- ii. The policy will be available on the Company's website and the link to the policy is: www.anantrajlimited.com
- iii. The requisite/ prescribed details of the policy will also be disclosed in the Company's annual report.



REVIEW:

This policy may be reviewed periodically by the Board. The Board, may, subject to the applicable laws and consequent amendments, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

DISCLAIMER

This document only outlines the policy and factors, the Board keeps in view and is not intended to be a commitment or guarantee of dividend payment by the Company either annually or otherwise.
