EVEREST INDUSTRIES LIMITED
DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

This Policy is called “Everest Industries Limited – Dividend Distribution Policy” (hereinafter referred to as “this Policy”) and shall be effective from August 3, 2021.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) require the top 1000 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy (“the Policy”) in the annual report and on their website. The Board of Directors (“Board”) of Everest Industries Limited has adopted this Dividend Distribution Policy to comply with these Regulations in their meeting held on August 3,2021.

POLICY

This policy aims at ensuring compliance with the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

The Policy lays down the broad criteria which would be considered by the Company while ascertaining the amount of dividend to be declared while maintaining an optimum balance between the pay-out ratio and retained earnings, in order to finance the future needs of the business. The Policy serves as a guideline to the Board of Directors and the decision of the Board of Directors regarding the dividend to be declared will be final and not open for any challenge from any person based on this policy.

Applicability w.r.t. various class of shares

- The Company currently has only one class of shares referred to as equity shares of the face value of Rs. 10 each, forming part of its Issued, Subscribed and Paid – up share capital.
- Dividend other than interim dividend shall be declared at the annual general meeting by the shareholders based on the recommendation of the Board of Directors.
- The Board of Directors will have the authority to declare Interim dividend

The circumstances under which the shareholders may or may not expect dividend

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration available financial resources, growth / investment requirements and fair shareholder return.
The Board may not recommend any dividend if the Board is of the considered opinion that it is prudent to conserve capital based on the factors outlined above or other exigencies.

Parameters and factors for declaration of dividend

The Company would, *inter alia,* consider the following financial parameters and / or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

Internal factors

- Profits earned during the financial year and the retained earnings of the previous year in accordance with provision of section 123 and other applicable provision under the Companies Act, 2013 and rules made thereunder.
- Cash flow position of the company and debt-equity ratio
- Projections with regard to performance of the Company

- Fund requirement to finance capital expenditure.
- Fund requirement to finance any organic or inorganic growth opportunities or to finance working capital need of the Company.
- Providing for unforeseen events and contingencies with financial implications
- Opportunities for investment of the fund of the Company to capture future growth and current and future leverage
- Dividend pay-out history
- Such other factors and / or material events which the Company's Board may consider

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- Business cycles and long / short term outlook of the industry
- Cost of external financing
- Changes in government policies, rate of inflation, tax rates etc.
- Quantum of dividend pay-out by other comparable concerns

Utilization of retained earnings

The Company would utilize the retained earnings in a manner which is beneficial to the interest of the Company & its stakeholders, in any of the following ways:

- Capital expenditure and for the purpose of inorganic or organic growth
- Declaration of dividend
- Issue of bonus shares or buy-back of shares
- Other permissible usage as per the Companies Act, 2013.

In event of loss or inadequacy of profits is a given year, the Company, may taking into consideration the shareholder expectations, past dividend pay-out history etc. declare payment of dividends out of its reserves, as may be permitted by the law.

Likewise, in event of challenging circumstances, such as adverse economic cycle and industry outlook, expected performance of company in coming years, pressure of cash flows due to various factors such as working capital requirements etc. the Company may decide not to declare dividend even in a year, the Company has generated sufficient profits.

In case it is proposed not to declare dividend during a financial year, the grounds thereof and the information on the manner in which retained earning shall be utilised shall be disclosed to the members in the Board's report forming part of the Annual report of that financial year.

The MD & CEO along with Chief Financial Officer after considering the various internal and external factors and overall performance of the Company shall jointly make a recommendation to the Board of Directors with regard to whether or not to declare dividend, and if dividend is recommended, the quantum of dividend to be declared.

Review

This policy will be reviewed and amended as and when required by the Board.

Disclosure of the policy

This Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website www.everestind.com