

## **MAINI PRECISION PRODUCTS LIMITED DIVIDEND DISTRIBUTION POLICY**

### **Objective**

The objective of this Policy is to strike right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

### **KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND**

#### **1. Financial Parameters / Internal Factors:**

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses
- Cash flow required to meet contingencies; if any
- Outstanding borrowings and
- Past Dividend Trends

#### **2. External Factors:**

The Board of Directors of the Company would further consider prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws external factors before declaring or recommending dividend to shareholders.

#### **3. Range of Dividend**

Subject to this policy and the factors which are necessarily to be considered at the time of declaring / recommending the Dividend, the Board would endeavor to maintain a Dividend pay-out based on performance of the company for the current financial year, as may be applicable.

**4. The circumstances under which the shareholders of the Company may or may not expect dividend:**

The declaration of dividend may or may not be considered after taking into account the following circumstances:

- If the Company undertakes or proposes to undertake an unexpected expansion project requiring higher allocation of capital;
- Significantly unexpected higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilize surplus cash for buy-back of securities;
- In the event of inadequacy of profits / losses; or
- Any change in the regulatory frame works

**5. Utilization of retained earnings:**

The Company may declare dividend(s) out of the profits of the Company for the year or out of the profits for any previous year(s) or out of the free reserves available for distribution of dividend, as per the parameters laid down in this Policy. After considering estimated fund flow, the Board of Directors may declare a special / additional dividend(s) to the shareholders out of the retained earnings which are available for distribution.

**6. Parameters that shall be adopted with regard to various classes of share**

The Company may declare dividend equity shares on 'one share, one vote' principle.

The Preference Shareholders will receive a 0.0001% dividend on the shares they hold as per the terms of issue of such shares till such date they are converted into equity shares.

**7. Approval**

The Chief Financial Officer in consultation with the Managing Director of the Company may recommend the amount to be declared/ recommended as Dividend to the Audit Committee and to the Board of Directors of the Company, therein. Upon receipt of the recommendation, the Board of Directors evaluate, discuss and either approval fully / partially or deny the recommendation

**8. Review**

The Board may review the policy and make changes, as it may deem fit.