



Ddev Plastiks Industries Limited

CIN: L24290WB2020PLC241791

Registered Office: 2B, Pretoria Street, Kolkata- 700 071

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND AND APPLICABILITY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, the top 1000 listed companies by market capitalization are required to disclose Dividend Distribution Policy on their corporate website and provide a web-link of the same in their annual reports. The Board of Directors (the "Board") of Ddev Plastiks Industries Limited (the "Company" or "DPIL") has adopted the "Dividend Distribution Policy" of the Company. The Policy shall become effective from 1st April, 2024 and thereafter as notified by the Board, in case of any amendment(s) and/or modification(s).

The Dividend Distribution Policy (hereinafter referred as the "Policy") has been developed in accordance with the provisions of the Companies Act, 2013 ("Act"), SEBI Listing Regulations and Articles of Association of the company. Any subsequent amendments in these provisions would ipso-facto apply to this Policy. The Policy is not an alternative to the decision taken by the Board regarding declaration/recommendation of dividend after considering various relevant factors.

2. DEFINITIONS

"Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

"Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"Board" shall mean Board of Directors of the Company.

"Company" shall mean Ddev Plastiks Industries Limited.

"Dividend" is the amount paid by the company out of profits, to its shareholders, in proportion to the amount paid up on the shares held by shareholders. Pursuant to section 2(35) of the Act, it includes any interim dividend.

"Key Managerial Personnel" shall mean Key Managerial Personnel as defined in Section 2(51) of the Companies Act, 2013.

"Senior Management" shall mean officers/ personnel of the listed entity who are members of its' Core Management team excluding board of directors, normally this shall comprise of all members of the management one level below the executive directors, including functional head.

"Policy" means this Dividend Distribution Policy.

“**Rules**” shall mean Companies (Declaration and payment of Dividend) Rules, 2014.

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

3. OBJECTIVE

The Board has laid down a broad framework of dividend to its shareholders and/or retaining of its profits. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking decisions of distribution or retention of profits, in the interest of providing transparency to the shareholders.

Towards this end, the Policy lays down parameters to be considered by the Board of the Company for declaration of Dividend from time to time.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for the further growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

4. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDENDS

4.1. Financial Parameters

The Board may consider the following financial parameters while recommending any payment of dividend to the Shareholders subject to the approval of the Shareholders: -

- The Working Capital requirement;
- The requirement of capital expenditure;
- Quantum of consolidated Net Profit after Tax;
- Fund required for acquisition or new line of business/ product diversification;
- Contingency requirement of funds;
- Requirement of funds for payment /repayment /pre-payment of any outstanding borrowings;
- Consideration of past dividend track record;
- Considering legal requirements, regulatory conditions or restrictions as prescribed under the applicable laws and regulations including Taxation laws;
- The pay-out ratio of the Companies in the same industry.

4.2. Proposals for major capital expenditures

The Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of the capital asset including any major sustenance, improvement or growth proposals.

4.3. Agreements with lending institutions/ Bondholders/ Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

4.4. Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, etc. as provided in the Act, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

5. DECLARATION AND PAYMENT OF DIVIDEND

In compliance with section 51 of the Act, the company shall pay dividend proportionately i.e. in proportion to the amount paid up on each share. The declaration of dividend shall be in accordance with provisions of sections 123 to 128 of the Act. Pursuant to provisions of section 123 of the Act, the board shall recommend dividend for any financial year subject to the following:

- a) Out of the profits of the company for that year arrived after providing for depreciation or
- b) Out of profits of the company for any previous financial year(s) arrived at after providing for depreciation and remaining undistributed or
- c) Out of both (a) and (b)

6. INTERNAL & EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR THE DECLARATION OF DIVIDEND

The Board will consider the various internal and external factors while recommending any payment of dividend: -

- Past dividend trend;
- Cash flow from Operations;
- Consistency and stability in earnings;
- Future fund requirements for inorganic growth plan and Investment Opportunities including any investments in subsidiaries / associates of the Company;
- Leverage of profits and capital adequacy matrix;
- An outlook of industry, business cycle for the underline business;
- Economic growth and regulatory environment;
- Contingent liabilities;
- Buy-back plan for alternate to the distribution of profit;
- Borrowing levels and the capacity to borrow including repayment commitments and
- Any other factor as deemed fit by the Board.

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

The Shareholders of the Company may not expect the dividend under the following circumstances: -

- Whenever the fund requires for a significant expansion of the project requiring more allocation of capital;
- The requirement of significantly more working capital due to higher capacity utilization or any other factor which may adversely impact the Cash flow of the Company;
- Proposed to undertake any acquisition, merger, amalgamation or Joint Venture as this may require allocation of additional capital expenditure;
- If Company proposes to utilize its accumulated surplus for buy-back of securities;
- Circumstances under which company has incurred losses or there is any inadequacy of Profit;
- In the performance of any covenant imposed by any of the financial institution, Bank or any Investor/ Investor Group.
- When the cost of raising fund from alternate sources is higher or there is requirement of working capital and/or repayment of loans taken in the past
- Any other circumstances, as deemed fit by shareholders, to be recorded in writing.

8. MANNER OF DIVIDEND PAYOUT

Given below is a summary of the process of declaration and payment of dividends, subject to applicable regulations.

In case of final dividend

- a) The recommendation, if any, shall be made by the Board, usually in the Board Meeting that considers and approves the annual financial statements, subject to the approval of the shareholders of the Company.
- b) The dividend as recommended by the Board shall be approved/ declared at Annual General Meeting (AGM) of the Company by the shareholders through ordinary resolution under ordinary business items to be transacted at such meeting.
- c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/ book closure period as per the applicable law.

In case of interim dividend

- a) Interim dividend, if any, shall be declared by the Board.
- b) Before declaring an interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- c) The Board may declare the interim dividend during the financial year, as and when they consider it fit to declare.
- d) The Interim dividend can be declared by Board at one or more times in a financial year.
- e) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend as per the applicable law.
- f) In case no final dividend is declared by the company, interim dividend paid during the financial year, if any, shall be considered as final dividend at the Annual General Meeting.

9. POLICY AS TO THE UTILIZATION OF RETAINED EARNINGS

The Company may declare dividend out of the profits of the Company for the current year or out of the profits of any previous years and out of the free reserves available for distribution of dividend subject to the fulfillment of the conditions and criteria as laid down in this policy.

10. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of shares (Equity Shares), hence the policy is applicable to only the equity shares of the company. If the Company in future issues any other class of securities which may be entitled for the dividend, this policy would be revised and amended by the Board considering the factors affecting the new class of Shares.

11. APPLICABILITY OF THE POLICY

The Policy shall not apply to

- Determination and declaration of dividends on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividends in kind, i.e., by an issue of fully or partly paid bonus shares or other securities, subject to applicable laws;

- Distribution of cash as an alternative to payment of the dividend by way of buyback of equity shares.

12. REPORTING AND DISCLOSURE

The Policy shall be disclosed in the Annual Report and on the website of the Company as prescribed by Regulation 43A of the SEBI Listing Regulations.

13. REVIEW/ MODIFICATION OF THE POLICY

The company reserves its right to alter, modify, add, delete or amend any or all of the provisions of this Policy as it may deem fit or in accordance with the applicable guidelines and regulations. The Board may amend or modify the policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, SEBI Listing Regulations, etc.

In the event of policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed and amended accordingly from the effective date of such provision.

14. COMPLIANCE RESPONSIBILITY

Compliance with this Policy shall be the responsibility of the Senior Management of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

15. DISCLAIMER

The policy does not constitute a commitment regarding the future dividends of the company, but only represents a general guidance regarding dividend policy. The statement of the policy does not in any way restrict the right of the board to use its discretion in the recommendation/ declaration of 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.