

## **DISA India Limited**

### **Dividend Distribution Policy**

#### **Introduction:**

This Policy applies to DISA India Limited ("the Company") for distribution of dividend by the Company in accordance with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

SEBI, vide its notification dated May 5, 2021 has among other matters amended the Regulation 43A requiring top 1,000 listed Companies based on market capitalization to formulate a Dividend Distribution Policy. DISA India Limited being at no. 910 in terms of market capitalisation as at March 31, 2021, frames this policy to comply with the requirements of the above regulations.

#### **Objectives:**

The objective of this Policy is to ensure the right balance between the quantum of Dividend to be paid and the quantum of profits to be retained in the business for various purposes. The Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

#### **A. The circumstances under which the shareholders of the company may or may not expect dividend.**

The Company shall comply with the provisions of Companies Act, 2013, rules made there under and such other applicable statutory / regulatory requirements, if any, while declaring / recommending the dividend. The Board shall, after taking into consideration financial parameters listed below, determine the dividend payable to the Shareholders.

#### **B. The financial parameters that shall be considered while declaring dividend.**

Following financial parameters shall be considered by the Board of Directors while distributing dividend:

1. Financial performance of the Company.
2. Working Capital & other requirements of the Company.
3. Future Capital investment requirements of the Company.
4. Appropriate cover for market risk.
5. Consistent level of dividend pay-out for the foreseeable future.
6. Past trend of Dividend payment of the Company.
7. Any other parameter which the Board may think appropriate from time to time.

#### **C. Internal and External factors that shall be considered for declaration of dividend.**

The Board of Directors shall provide due regard to the following other internal / external parameters while declaring or recommending the dividend.

1. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws.
2. Dividend pay-out ratios of companies in the same industry.
3. Emerging trends in financial market.
4. Industry growth rate.
5. Any changes in the competitive environment.

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6. Any significant changes in the business or technology, which requires substantial investment.
7. Any other criteria as the Board may deem fit from time to time.

**D. Policy as to how the retained earnings shall be utilized.**

Profit after Tax (PAT) earned by the Company can be retained in the business or used for the above-mentioned purposes or it may be distributed to the shareholders.

**E. Parameters that shall be adopted with regard to various classes of shares.**

The provisions of this Policy shall be applicable to all the classes of Shares of the Company. Presently, the Company has only one class of Shares i.e., Equity Shares.

**Review / amendment to the policy**

The Board may review this Policy from time to time and may at its discretion amend the provisions of this Policy, whenever it thinks necessary. Any amendments in Companies Act, 2013 / or rules made there under or SEBI regulations or such other statutory amendments, to the extent applicable shall automatically apply to this Policy. In the event of any difference between Companies Act, 2013/SEBI Regulations/such other statutory enactments and the provisions of this Policy, the Regulations shall prevail.

Signed by:  
  
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**Lokesh Saxena**  
**Managing Director & CEO**