

DIVIDEND POLICY

In line with the past practice of paying consistent dividend to the shareholders of the Company, the internal dividend policy of the Company is to distribute maximum of 40% of the Profit after tax of the company (un consolidated Indian GAAP) as dividend to the shareholders, by balancing the rewarding shareholders through dividends and retaining capital.

Dividend should be declared and paid only out of Current Year's profit after providing the depreciation in accordance with the Companies Act and also transferring to the general reserve. The Board should avoid paying dividend out of reserves of the Company.

While declaring the dividend by the Board of the Company it should consider the following:

1. The out go of the dividend amount should not be less the previous year.
2. The dividend payout ratio, including the dividend tax, should not be less than 5% and not exceeding 40% on standalone basis.
3. The outgo of cash through dividend should not be more than 20 % of the available of cash and current assets.
4. The future expansion of business and acquisitions and requirement of cash.
5. If company paid any interim dividend, then while paying the final dividend, both the dividend should be with the above mentioned limits.
6. Should consider the last year dividend trends in the Industry.
7. After obtaining the Members approval for the dividend, dividend to be paid to the shareholders within 20 days of the annual general meeting.
8. After distribution of dividend, Management should give a period report in the board meetings.
9. Team headed by Company Secretary should do all the necessary acts for the smooth distribution of dividend.
10. Un-claimed dividend should be transferred to the IEPF after the completion of 7 years as per the Act.