

MUKAND LIMITED
[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

DIVIDEND DISTRIBUTION POLICY

1. Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) vide its amendment notification dated 5th May, 2021, extended the requirement of formulation of dividend distribution policy from the existing top 500 to top 1000 listed companies, based on market capitalization as on March 31 of every financial year.

As the Company is one of the top 1000 companies as on March 31, 2020, based on market capitalization as on March 31 of previous financial year, the Board of Directors (The “**Board**”) of Mukand Limited (the “**Company**”) has adopted this Dividend Distribution Policy (“**Policy**”) to comply with the Listing Regulations.

This policy is applicable on Equity share of the Company. The Policy is subject to review if and when the Company issues different classes of shares.

2. Dividend distribution philosophy

The Company is deeply committed to driving superior value creation for all its stakeholders’. The Company’s focus will continue to be on the sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount of the paid-up shares they hold. Dividend includes Interim Dividend.

4. Circumstances under which shareholders can expect Dividend

The Board will assess the Company’s financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this Policy) and declare Dividend in any financial year.

The Dividend for any financial year shall normally be paid out of the Company's profits for that year which will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 ("Act"). If the circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Listing Regulations, as may be applicable.

5. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, shall be intimated to the stock exchanges and post board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the Listing Regulations.

6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available with the Company as per the various Acts and Regulations;
- Company's liquidity position and future cash flow needs;
- Track record of dividend distribution of the Company;
- Dividend payout ratios of the comparable companies;
- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations / covenants of loan agreements;
- Macroeconomic and business conditions in general; and
- Any other relevant factors that the Board may deem fit to consider before recommending / declaring Dividend.

7. Utilisation of retained earnings

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of dividend in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose

8. Modification of the Policy

The Board is authorised to change/amend this Policy from time to time at its sole discretion, as it may deem fit, and/or in pursuance of any amendments made in the Act, the Listing Regulations, etc.

In the event of any conflict between this Policy and the provisions contained in the Companies Act, 2013 and Listing Regulations, the Act and Listing Regulations shall prevail.

9. Disclaimer

This document neither solicits investment in the Company's securities nor gives any assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

[Approved at the meeting of the Board of Directors of the Company held on 25th May, 2021]

Mumbai:
May 25, 2021

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Niraj Bajaj
Chairman & Managing Director