

DIVIDEND DISTRIBUTION POLICY

(Adopted on May 20, 2021 and amended on November 07, 2024)

OBJECTIVE

This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof). The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend the dividend by referring to this Policy, the provisions of Companies Act, 2013 and Rules made thereto, SEBI Listing Regulations and other applicable legal provisions, as applicable.

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company has had an uninterrupted dividend paying track record. In future, the Company would endeavor to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

DEFINITIONS:

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

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

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

"Company" or "Carysil" shall mean Carysil Limited.

"SEBI Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

"Policy" or "this Policy" shall mean the Dividend Distribution Policy.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buy-back of existing share capital.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Expected future capital / liquidity requirements
- Cash flow requirements of the Company
- Past dividend Pattern
- Debt-equity ratio of the Company
- Any other relevant factors and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- **Macro-economic environment**
Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- **Regulatory changes**
Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- **Technological changes**

Changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

- **Capital Markets**

When the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend payout in order to conserve cash outflows.

MANNER OF UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

PARAMETERS FOR SHARE CLASSIFICATION AND DIVIDEND PAYMENTS

The Company has currently issued only one class of shares, specifically equity shares. Should the Company decide to issue additional classes of shares in the future, the parameters for dividend payments for those shares will be defined according to the specific terms of their issuance and in compliance with applicable regulations.

AMENDMENT AND LIMITATION:

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force. In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Further, in the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or any other statutory enactments or rules, the provisions of SEBI Listing Regulations or the Companies Act, 2013 or statutory enactments or rules made thereto shall prevail over this Policy.