



ROSSELL INDIA LIMITED Dividend Distribution Policy

(Approved by the Board of Directors at their Meeting held on 9th February, 2022)

1. BACKGROUND

In terms of a recent amendment made under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021, every Top 1000 Listed Companies based on market capitalization (calculated as on 31st March of every Financial Year) shall formulate a Dividend Distribution Policy (the "Policy"), which shall be disclosed on the website of the listed entity and web-link for the same shall also be provided in their Annual Reports.

Since Rossell India Ltd. happens to be 981st in the in the list of Top 1000 Listed Companies as compiled by the National Stock Exchange of India Limited (NSE) as on 31st March, 2021 based on market capitalization, it is mandatory to frame the Dividend Distribution Policy of the Company.

In view of above, the Board of Directors at their Meeting held on 9th February, 2022 has approved the Dividend Distribution Policy of the Company.

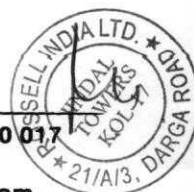
2. EFFECTIVE DATE

This policy shall become effective from 9th February, 2022.

3. DEFINITIONS

- a) **"Board"** shall mean Board of Directors of Rossell India Limited.
- b) **"The Act"** shall mean the Companies Act, 2013 and Rules made thereunder or any Notification and/or Circular issued thereunder including any statutory amendment(s) or modification(s) thereof for the time being in force.
- c) **"Dividend"** shall mean Dividend as defined under Sec. 2 (35) of the Companies Act, 2013.
- d) **"Financial Year"** means 1st April to 31st March, every year.
- e) **"Free Reserves"** shall mean as defined under Sec. 2(43) of the Companies Act, 2013
- f) **"Listed Entity / Company"** shall mean 'Rossell India Limited'.
- g) **"Policy"** means Rossell India Limited Dividend Distribution Policy.
- h) **"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.
- i) **"Stock Exchange"** shall mean the BSE Limited and the National Stock Exchange of India Limited, where the Equity Shares of the Company are listed.

All words and expressions used herein may not defined in this Policy, but defined in the Act or the Listing Regulations shall have the same meaning as respectively assigned to them in such Act or Listing Regulations, as the case may be.





4. THE REGULATORY FRAMEWORK

The recommendation, declaration and payment of dividend by the Company is subject to the provisions of Sections 123 and 134(3)(k) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014, Regulations 12, 29, 42, and 43 of Listing Regulations, Section 27 of Securities Contracts (Regulation) Act, 1956 and any other laws as applicable.

5. POLICY

This policy sets out the parameters and circumstances that will be considered by the Board of Directors of the Company while determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in some extraordinary circumstances, deviate from the parameters listed in the policy.

A. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

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

i. Financial / Internal Parameters:

- a) Profit earned during the year;
- b) Net Profit after tax available for distribution as per the Act and applicable Regulations;
- c) Accumulated Reserves of the Company;
- d) Operating Cash flow of the Company;
- e) Company's Liquidity position & future Cash Flow Needs;
- f) Working capital requirements for the business purpose of the Company;
- g) Present and future capital expenditure requirement;
- h) Funds required to service any long term Loans;
- i) Expansion of existing business;
- j) Business acquisition opportunities;
- k) Track records of Dividends Distributed by the Company in the past years ;
- l) Minimum Cash required for contingencies or unforeseen events;
- m) Requirement of funds in Research and Development;
- n) Any other relevant parameters that the Board may deem fit to consider before declaring or recommending dividend;

ii. External Parameters:

- a) Statutory requirements of various applicable laws;
- b) Dividend pay-out ratios of companies in the same industry;
- c) Macro-economic Environment;
- d) State of Capital Markets;
- e) Such other parameters as the Board may consider significant before declaring or recommending any dividend;

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

Based on the parameters listed above under Clause 5.A of the Policy, the Board of Directors, may or may not declare an Interim Dividend or recommend a Final Dividend/Dividend to Shareholders of the Company.

In the event, where the Board decide not to recommend any Dividend, the grounds thereof and information regarding utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Board's Report of the Company.





C. MANNER OF DIVIDEND DECLARATION

The Company may declare a dividend in the manner as prescribed hereunder in accordance with the provisions of Section 123 of the Act, and Rules made thereunder.

Interim Dividend

The Board of Directors of the Company may declare an Interim Dividend during the financial year or at any time during the period from closure of financial year till holding of the Annual General Meeting of the Company from any one of the following:

- a) Out of the surplus in the profit and loss account; or
- b). Out of profits of the financial year for which such interim dividend is sought to be declared;
or
- c). out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend;

Provided in case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of Interim Dividend, such interim Dividend shall not be declared at rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

In case no final dividend is declared at the Annual General Meeting, an interim-dividend shall deemed to be final dividend of the Company.

Dividend/Final Dividend

The Board of Directors of the Company may recommend the Final Dividend/Dividend for declaration at the Annual General Meeting of the Company from –

- 1) Current financial year's profit:
 - a. after providing for depreciation in accordance with the provisions of Schedule II of the Act;
 - b. after transferring such percentage of current financial year's profits to reserves of the Company, as it may considered appropriate by the Board at its discretion;Or
- 2) The profits for any previous financial year(s) arrived at after providing for depreciation in accordance with Schedule II of the Act and remaining undistributed;
Or
- 3) Out of 1) & 2) both.

The Company shall not declare any dividend unless carried forward previous losses and depreciation not provided in previous year are set off against the profit of the Company of the current year to the extent of loss or depreciation, whichever is less, in previous years is set off against the profit of the Company for the year for which dividend is declared or paid.

In case of inadequacy or absence of profits in any financial year, the Board may also recommend to declare final Dividend/Dividend out of accumulated profits earned in previous financial years and transferred by the Company to free reserves subject to the fulfillment of the following conditions as specified under Rule 3 of Companies (Declaration and Payment of Dividend) Rule 2014:

- i. The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by Company in the three years immediately preceding current financial year;
- ii. The total amount to be drawn from such accumulated profits shall not exceed Company's one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement;



CONTINUATION



- iii. The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared;
- iv. The balance of reserves of the Company after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement;

D. MANNER OF DIVIDEND PAYMENT

The Company shall use any of the electronic mode as approved by the Reserve Bank of India for payment of Dividend. Wherever it is not possible to use electronic mode of payment, 'payable-at-par' warrants or Cheques will be issued to the eligible shareholders and shall be delivered through ordinary post/Registered post/Speed post/courier. In case the amount payable as Dividend exceeds One Thousand and Five Hundred Rupees, the 'payable-at-par' warrants or Cheques shall be sent by speed post

For the purpose of Dividend payment, a separate Bank account of the Company in the name and style of 'Dividend A/c of Rossell India Limited' would be opened with any Bank and shall be deposited therein an amount of Dividend payable within five (5) days from the date of declaration of dividend in terms of Sec. 123 (4) of the Act. The Dividend once declared at the Annual General Meeting of the Company or by the Board of Directors in case of interim Dividend, shall be paid within 30 days of such declaration.

E. MAXIMUM DIVIDEND PAYOUT

The Company targets to reward its shareholders by sharing a portion of its profits in the form of Dividend to such extent as may be considered appropriate by the Board considering all the Internal and External parameters listed above under Clause 5.A of the Policy, being certain percentage of Standalone profit after tax and also ensure that after such distribution, the sufficient funds are retained for growth of the Company.

F. UTILIZATION OF THE RETAINED EARNING

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interest of the Company as well as 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 purpose, as approved by the Board of Directors of the Company at its Meeting.

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

Since, the Company has issued only one class of shares referred to as Equity Shares of the face value of Rs.2 each, with equal voting rights, and all the Members of the Company being entitled to receive the same rate of dividend per share.

The Policy may suitably revised if and when the Company chooses to issue any new class of shares depending upon the nature and guidelines thereof.

6. POLICY REVIEW AND AMENDMENTS

In case the Policy become inconsistent with any amendment in regulatory provisions, the Board of Directors may review, amend and modify the policy in accordance with subsequent amendments in regulatory provisions, as applicable.

7. DISCLOSURE

This Policy shall be hosted on the website of the Company and web-link for the same shall be provided in the Annual Report.

