



# Uniphos Enterprises Limited

CIN: L24219GJ1969PLC001588

## DIVIDEND DISTRIBUTION POLICY

### 1. REGULATORY FRAMEWORK

- 1.1 This policy (“**Policy**”) of Uniphos Enterprises Limited (“**Company**”) has been prepared and adopted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 and Companies Act, 2013 (“**Act**”) read with the Companies (Amendment) Act, 2017 alongwith circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.
- 1.2 Regulation 43 of SEBI Listing Regulations requires the Board of Directors of the top 1000 listed entities to formulate a dividend distribution policy which shall be disclosed in the Annual report and on the website of such listed entities.
- 1.3 The Board of Directors shall review the Policy periodically and may amend the same from time to time, as may be deemed necessary.

### 2. OBJECTIVES OF THIS POLICY:

- 2.1 To maintain fairness, consistency and sustainability in distributing profits to the members of the Company.
- 2.2 To ensure enhancement in wealth of members.

### 3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

- 3.1 Cash flow is adversely affected due to working capital requirements;
- 3.2 Significantly high capital expenditure or fresh acquisition is anticipated requiring more cash for the same;
- 3.3 Buy-back of securities, which will affect the cash flow;
- 3.4 The company’s profits are inadequate, or it has incurred losses.

### 4. FINANCIAL PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- 4.1 Operating cash flows required to meet various business contingencies;
- 4.2 Working Capital requirements;
- 4.3 Capital Expenditure requirements;
- 4.4 Outstanding borrowings; 4.5 Past dividend payout trend;

### 5. INTERNAL AND EXTERNAL FACTORS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:

#### 5.1. INTERNAL FACTORS

- 5.1.1. Current year profits and future outlook in line with the development of internal and external environment;
- 5.1.2. Inorganic/organic growth opportunities like new acquisitions or new business;
- 5.1.3. Contractual restrictions;
- 5.1.4. Expectations of shareholders



# Uniphos Enterprises Limited

CIN: L24219GJ1969PLC001588

## 5.2. EXTERNAL FACTORS

- 5.2.1. Prevailing legal requirements, regulatory conditions, geopolitical considerations, etc. and other statutory requirements, including tax laws;
- 5.2.2. Comparative dividend payment by other industry players;
- 5.2.3. Policy decisions of the government that may affect the business of the Company;

## 6. UTILIZATION OF RETAINED EARNINGS

Retained Earnings shall be utilized by the Company to undertake corporate actions as approved by the Board, which will strengthen the Company's financial position, in accordance with the applicable laws and regulations.

## 7. PARAMETERS ADOPTED WITH REGARD TO CLASS OF SHARES

The company has only one class of shares viz. equity shares having face value of R. 2/- each and declares dividend on per share basis on such shares. The Company may also issue preference shares from time to time.

## 8. INTERIM DIVIDEND

- 8.1 The Board of Directors of a Company shall declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting.
- 8.2 The Board of Directors shall declare such interim dividend out of the surplus in the Profit and Loss Account or out of profits of the financial year for which such interim dividend is sought to be declared or out of the profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.
- 8.3 In case of loss incurred by the Company during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, the rate of interim dividend cannot be higher than the average dividends declared by the Company during the immediately preceding three financial years.

## 9. OTHER PROVISIONS

- 9.1 The Company shall first declare dividend on outstanding preference shares, if any, at the rate fixed at the time of issue of such shares.
- 9.2 The Board will recommend final dividend on equity shares and the same shall be subject to approval by the members at the Annual General Meeting of the Company.
- 9.3 The Board may declare interim dividend as and when they consider it fit and as per the provisions of this policy.

## 10. DISCLOSURE REQUIREMENT UNDER SEBI LISTING REGULATIONS

The Company shall disclose this Policy on the Company's website at [www.uelonline.com](http://www.uelonline.com) and a web link thereto shall be provided in the Board's Report.

(The above policy was reviewed and approved by the Board of Directors at its meeting held on 26<sup>th</sup> May, 2021)