



## Dividend Distribution Policy

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

The Board of Directors (the "Board") of Abhishek Corporation Limited (the "Company") has adopted this Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration the relevant circumstances enumerated hereunder or other factors as may be decided and considered relevant by the Board while recommending dividend, including whilst declaring interim dividend(s). The Policy reflects the intent of the Company to enhance stakeholder value and reward its shareholders by sharing a portion of its profits after retaining sufficient funds for the growth of the Company, based on the following parameters:

### 1. Circumstances under which shareholders may or may not expect dividend

Before recommending dividend, the Board will consider various relevant factors, including the Company's financial needs, keeping in mind the business considerations. The dividend shall usually be paid out the profits as available, and distributed in accordance with the provisions of the Companies Act, 2013 and the Rules amended there under, other applicable legislation/Regulations, the Articles of Association of the Company as in force and as amended from time to time and/or stipulations by lending banks\*institutions, if any.

The Board may consider payment of dividend out of accumulated Profits/ Free Reserves in case of inadequacy or absence of profit for the relevant year, subject to compliance of applicable laws, in line with historical trends. The Board, if the situation so warrants, may not declare the payment of dividend in any financial year, at its sole discretion and retain the earnings for the relevant year for investment

Abhishek Corporation Limited

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towards growth of the Company's business.

## 2. Financial Parameters

- i. Adequacy of net profit available for distribution;
- ii. Dividend payout ratios viz dividend to net profit, dividend to cash profit etc.;
- iii. Other financial ratios viz. debt/equity, interest coverage, return on equity etc.;
- iv. Operating cash flow of the Company and commitments to forecasted capital expenditure for the current and projected periods;
- v. Cost of borrowings;
- vi. Contingent liabilities with financial implications.

## 3. Internal Factors

- vii. Historical dividend payout trends based on past performance of the Company;
- viii. Present and future working capital requirements of the existing business of the Company;
- ix. Brand/business acquisition;
- x. Expansion / Modernisation of existing business/diversification into new business;
- xi. Additional investments in Subsidiaries Associates of the Company;
- xii. Any other relevant factor as may be deemed fit by the Board.

## 4. External Factors

- xiii. State of the economy i.e. the macroeconomic environment prevailing in the country;
- xiv. Taxation and other regulatory concerns;
- xv. Statutory/Legislative and Executive restrictions;
- xvi. Global business environment.

## 5. Utilization of retained earnings

The Board may retain its earning in order to make better use of available funds and increase the stakeholder value in the long run. The decision of utilization of the retained earnings of the Company will be subject to the applicable provisions of the Companies Act and other applicable laws/Regulations. The retained Earnings shall be utilized for securing the long term growth



objectives of the company's business including:

- i. diversification / expansion of the company's business;
- ii. Modernsation of plant and machinery;
- iii. Acquisitions;
- iv. Repayment of loans;
- v. Payment of dividend in future.

6. Parameters to be adopted with regard to various classes of shares

At present the company has only one class of shares i.e. equity shares with equal voting rights and dividend.

7. General

The policy is effective henceforth and will be revised/ amended as may in the opinion of the Board be deemed necessary and will be available on the Company's website [www.abhishekccorporation.com](http://www.abhishekccorporation.com) and disclosed in the annual report.

