



India Glycols Limited

INDIA GLYCOLS LIMITED
(CIN: L24111UR1983PLC009097)

DIVIDEND DISTRIBUTION POLICY

1. Preamble

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended by SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective 5th May, 2021 mandates top 1000 listed entities (based on market capitalization) to formulate a dividend distribution policy.

The Board of Directors of India Glycols Limited (“the Company”) has approved and adopted this Dividend Distribution Policy (“Policy”) in compliance with SEBI Listing Regulations.

2. Scope and objective

This Policy has been framed in line with the requirements of the SEBI Listing Regulations and is based on the parameters laid down therein.

The objective of the Policy is to lay down broad parameters and factors that would be considered by the Board before recommendation/declaration of dividend(s).

3. Definitions

- (a) **“Act”** means the Companies Act, 2013.
- (b) **“Board of Directors” or “the Board”** means the Board of Directors of India Glycols Limited.
- (c) **“Company”** means India Glycols Limited.
- (d) **“Policy”** means Dividend Distribution Policy of the Company.

Words and expressions used in this Policy shall have the meaning assigned to them in the SEBI Listing Regulations, Act and the Rules framed thereunder, as amended from time to time.

4. Dividend

Dividend represents the profit of the Company, which is distributed to the shareholders in proportion to the amount paid-up on the equity shares held by them. The term ‘Dividend’ includes Interim Dividend.

The Dividend(s) for any financial year shall be paid out of the profits of such financial year arrived at in accordance with the provisions of the Act and Rules made thereunder; and/or the accumulated profits from any of the previous financial year(s) arrived at in accordance with the provisions of the Act and Rules made thereunder.



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In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance of the Act.

5. Applicability

This Policy applies as and when the Board recommend/declare the dividend(s).

6. The circumstances under which the shareholders of the Company may or may not expect dividend

- The shareholders of the Company may expect payment of dividend if there are adequate profits, liquidity and accumulated profits not warranted for immediate business need.
- The Board may not recommend any dividend if the Board is of the considered opinion that it is prudent to conserve capital based on the factors outlined below or other exigencies.

7. Parameters for recommendation/declaration of dividend(s)

The Board would, inter-alia, consider the following parameters in compliance of the Act and SEBI Listing Regulations before declaring dividend(s) or recommending dividend to the shareholders:

(a) The Financial Parameters and Internal Factors:

- Financial performance of the Company including profits earned on standalone basis, balance available to the credit of distributable reserves etc;
- Fund requirements to finance the working capital needs of the business;
- Capex needs for the existing businesses;
- Expansion / Modernization of the business;
- Company's liquidity position and future cash flow requirements;
- Crystallization of contingent liabilities of the Company;
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

(b) External factors:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Macroeconomic conditions, state of the economy, state of the sectors in which Company operates;

(c) Other Factors:

Such other factors which are beyond the control of the Management like natural calamities, earthquake, pandemic etc. affecting operations of the Company and other factors as may be deemed appropriate by the Board.



8. Utilisation of retained earnings:

- The retained earning shall be, inter-alia, utilized in the best interest of the Company and its stakeholders, including but not limited to funding working capital requirements of the Company and investment in new and/or existing businesses, e.g. capital expenditure, business expansion/growth and for any other purpose as per the Act, SEBI Listing Regulations, any other applicable laws and as may be deemed appropriate by the Board.

9. Parameters with regard to various classes of shares:

- Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity shareholders of the Company with respect to dividend distribution.

10. Review of this Policy

The Board shall have the power to review or amend this policy to ensure it remains consistent with the Company's objectives and responsibilities and the provisions laid down under the SEBI Listing Regulations.

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law governing the Company, the relevant law will take precedence over this Policy. In case of any ambiguity, the Chairman of the Company shall provide the appropriate clarification.

11. Disclosure of Policy

This Policy shall be placed on the Company's website, www.indiaglycols.com and a web-link shall also be provided in the Annual Report of the Company.

(As approved by the Board of Directors of the Company vide Board Resolution dated 25th June, 2021, the Policy shall be operative with effect from that date.)