

**DIVIDEND DISTRIBUTION POLICY OF REGAAL RESOURCES  
LIMITED DULY APPROVED BY THE BOARD OF DIRECTORS IN  
ITS MEETING DATED 23<sup>RD</sup> MAY 2023**

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires top one thousand listed companies on marketcapitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy ("Policy"). Adhering to best corporate governance practice and to comply with provisions of the Listing Regulations as and when it becomes applicable, the Company frames the Policy.

The Policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Regaal Resources Limited (the "Company") as well as enable the Company to strike balance between pay-out and retained earnings, in order to address future needs of the Company. The Board of Directors (the "Board") of the Company at its meeting held on 23<sup>rd</sup> May, 2023 has adopted this Policy. This Policy is effective from the date of its adoption by the Board.

Dividend would continue to be declared on per share basis on the equity shares of the Company having face value Rs. 10 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013, as amended ("Companies Act"). The Board may also declare interim dividends as may be permitted by the Companies Act.

The objective of this document is for the Company to follow a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

Subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio in the range of 20% to 25% of the annual Profits after Tax (PAT) of the Company.

While determining the nature and quantum of the dividend payout, the Board would take into account the following factors

#### Financial / Internal Factors:

- i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
  - a. Previous years and
  - b. Internal budgets;
- ii. Cash flow position of the Company;
- iii. Accumulated reserves;
- iv. Earnings stability;
- v. Future cash requirements for organic growth/expansion and/or for inorganic growth;
- vi. Brand acquisitions, if any;
- vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities;
- viii. Deployment of funds in short term marketable investments;
- ix. Long term investments;
- x. Capital expenditure(s), and;
- xi. The ratio of debt to equity (at net debt and gross debt level);
- xii. Debt Covenants pertaining to dividend declaration, if any

#### □ External Factors:

- i. Business cycles,
- ii. Economic environment,
- iii. Cost of external financing,
- iv. Applicable taxes including tax on dividend,
- v. Industry outlook for the future years,
- vi. Inflation rate, and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The shareholders of the Company may not expect dividend or expect reduced dividend

*inter alia*, but not limited to under the following circumstances:

- i. Inadequacy of profits or whenever the Company has incurred losses;
- ii. Proposed buy-back of securities;
- iii. Significantly higher working capital requirements adversely impacting free cash flow;
- iv. Expansion of business, acquisitions or joint ventures requiring significant allocation of capital;
- v. Operation of any law in force which restricts payment of dividend in particular circumstances; and
- vi. Any restrictions and covenants contained in any agreement may be entered with the lenders.

Additionally, the Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment and /or adverse business cycles.

The Board will provide rationale for such lower or “nil” dividend in the annual report.

The retained earnings of the Company may be used in any of the following ways:

- i. Expenditure for working capital;
- ii. Organic and/ or inorganic growth;
- iii. Investment in new business(es) and/ or additional investment in existing business(es);
- iv. Declaration of dividend;
- v. Capitalization of shares;
- vi. Buy back of shares;
- vii. General corporate purposes, including contingencies, Correcting the capital structure;
- viii. Any other permitted usage as per the Companies Act.

This Policy will be reviewed periodically by the Board. Any amendment in this Policy may be carried out with the approval of the Board. Any changes or revisions to the Policy will be communicated to shareholders in a timely manner.

Any amendment in this Policy may be carried out with the approval of the Board.

In the event of any conflict between this Policy and the provisions contained in the

Companies Act and / or the Listing Regulations, the Companies Act and / or the Listing Regulations shall prevail.

The Policy will be available on the Company's website and the link to the Policy is:  
[www.regaalresources.com](http://www.regaalresources.com)

The Policy will also be disclosed in the Company's annual report.