



EXCEL INDUSTRIES LIMITED

Dividend Distribution Policy

Title	Dividend Distribution Policy
Date of Approval of the Board	28.05.2021
Effective from	28.05.2021
Version	First
No. of Pages	4

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DIVIDEND DISTRIBUTION POLICY

1. Preface

This policy is being adopted and published in compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015, which requires the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy ("the Policy"), which shall be disclosed in the annual reports and on the website.

2. Definitions

"Board" means Board of Directors of the Company under the Companies Act, 2013.

"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.

"Dividend Per Share" means the amount of dividend paid on each equity share of the Company in a financial year.

"Dividend Payout Ratio" is a percentage of "dividend payable in a year" (excluding dividend tax" (if any) to "net profit during the year").

3. Objective

- (i) The objective of the Policy is to lay down the parameters that are required to be considered by the Board of the Company for declaration of Dividend from time to time.
- (ii) To maintain fairness, consistency and sustainability in distributing profits to the members of the Company.

4. Philosophy

The Company believes that ploughing back of profits for driving growth is important in the long run for the creation of robust Shareholder value. At the same time, it recognises the need to give a reasonable portion of the profit as payout by way of appropriate rate of dividend to Shareholders.



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Thus, the Company strikes a judicious balance between the two while recommending the dividend rate for approval of the Shareholders.

5. Scope

The Company currently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

6. Parameters for declaration of dividend

a. Financial parameters | Internal factors:

- i. Net operating profit after tax for the current financial year
- ii. Retained Earnings
- iii. Past dividend payout trends of the Company
- iv. Working capital requirements
- v. Capital expenditure requirements
- vi. Resources required to fund acquisitions and/or new businesses
- vii. Cash required to meet contingencies
- viii. Cash required for repayment of borrowings and restructuring of capital
- ix. Investments in subsidiary / associate companies
- x. Earnings outlooks for next three to five years
- xi. Cash requirements for buyback of shares, if any
- xii. Any other relevant factors / material events

b. External factors:

- i. Government policies
- ii. Economic environment and outlook for growth
- iii. Trade cycles / Monsoon / Pandemic
- iv. Dividend payout ratio of companies in the same industry
- v. Statutory provisions and guidelines
- vi. Any other factor having impact on the business of the Company

7. Circumstances under which shareholders may or may not expect dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned in this policy) in declaring Dividend per share in any financial year.

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 above or other exigencies.



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8. Retained earnings utilization

The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to meeting the Company's future business growth/ expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

9. Conflict in Policy

In the event of a conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

10. Amendments

The Board is authorised to change or amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the Regulations, or any other applicable law. The modifications, if any, made to the policy shall be disclosed on the website and in the Annual Report.

11. Disclosures

The Company shall place the Dividend Distribution Policy on its website www.excelind.co.in and will also be disclosed in the Company's Annual Report.



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