



DIVIDEND

DISTRIBUTION POLICY

OF

SHARDA CROPCHEM LIMITED



Introduction:-

The Board of Directors of Sharda Cropchem Limited has adopted the Dividend Distribution Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in its meeting held on November 04, 2016

This policy shall come into force with immediate effect.

Objective:-

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring / recommending dividends on behalf of the Company.

Definitions:-

“Applicable Law” means any law, rules, regulations, circulars, guidelines or standards under which the policy has been formed.

“Board” in relation to the company, means the collective body of the directors of the company.

“Company” refers to Sharda Cropchem Limited

“Dividend” refers to Interim Dividend & Final Dividend

“Final Dividend” is declared once for the financial year after the annual accounts are prepared.

“Interim Dividend” is declared during the financial year of the Company as and when considered appropriate by the Board of Directors.

➤ **Factors to be considered while declaring dividend:-**

The factors that will be considered while arriving at the quantum of dividend will be as follows:



Internal Factors:-

- Profits earned during the year;
- Present & future Capital requirements of the existing businesses
- Operating Cash flows requirement;
- Working Capital requirement;
- Capital Expenditure requirement;
- Brand / Business Acquisitions;
- Expansion / Modernization of existing businesses
- Additional investments in subsidiaries/associates of the Company
- Fresh investments into external businesses
- Any other factor as deemed fit by the Board

External Factor:-

- Any Legal requirements
- State of Economy
- Favourable/Unfavourable Capital Markets
- Statutory Restrictions

➤ **Others:-**

The final dividend shall be recommended by the Board and shall be approved by the Shareholders in the Annual General Meeting.

Interim Dividend, if any, shall be declared by the Board after considering the financial position of the Company.

In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

The dividend shall be paid within 30 days from the date of declaration to the Shareholders.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed hereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time.

To the extent any modification is required in terms of the applicable law, the Chairman & Managing Director of the Company or the Wholetime Directors of the Company shall be authorised jointly/severally to review and amend the Policy.