

## **DIVIDEND DISTRIBUTION POLICY**

### **1. Background and Applicability**

The SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 (“Regulations”) require the top 1000 listed companies (by market capitalization) to formulate a Dividend Distribution Policy.

The Board of Directors (“Board”) of Piccadily Agro Industries Limited (Company) has approved this Dividend Distribution Policy on 11<sup>th</sup> May, 2022 to comply with the above requirements.

Presently, the Company has only one class of shares, viz. equity (face value of Rs. 10 per share), for which this policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares. The policy shall come into force for accounting periods beginning from 1st April, 2021.

### **2. Meaning of Dividend**

“Dividend” includes Interim Dividend. The term “Dividend” means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

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. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The Board would endeavor to maintain a dividend pay-out between 20% to 40% taking into account the cash flow and profit of the Company. Further, the Board may amend the payout range, whenever considered appropriate by it.

#### **Factors that would be considered for declaration of Dividend:**

The Board will assess the Company’s financial requirements, including present and future growth opportunities and other relevant factors, as mentioned below, to declare Dividend in any financial year.

**(i) External Factors**

- a) Statutory Obligations, Government Regulations and Taxation policies.
- b) State of Economy- in case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb probable future shocks.

**(ii) Internal Factors**

- a) Profits earned during the year and predicted profits in future;
- b) Present & future capital requirements;
- c) Expansion and modernization of existing business;
- d) Utilization of retained earnings;
- e) Any other factor as deemed fit by the Board.

**3. Publication of Policy**

This Policy, as approved by the Board, shall be disclosed on the website of the Company at [www.picagro.com](http://www.picagro.com).

**4. Review and Amendment**

Provisions of this Policy would be subject to the revision / amendment to the Regulations or related circular, notification, guidance notes issued by SEBI or other relevant authority, on the subject from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Board of Directors or any of its Committees.