

safari

Safari Industries (India) Limited

Policy on Distribution of Dividend

Safari Industries (India) Limited
Policy on Distribution of Dividend

1. Preface

The Board of Directors (the “Board”) of Safari Industries (India) Limited (the “Company”) has adopted the following policy (the “Policy”) on Distribution of Dividend to the shareholders of the Company.

This Policy has been formulated in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a measure of good corporate governance.

2. Objective of the Policy

This Policy has been framed to ensure fairness, consistency and sustainability while distributing profits to the shareholders of the Company. This Policy will serve as a guideline for the Board of Directors to decide the amount of dividend declared for any given period and the same will be final and not open to challenge by any person on the basis of the Policy.

3. Effective date:

This Policy shall come into force with immediate effect.

4. Circumstances under which shareholders of the Company may or may not expect dividend:

While declaring dividend in any year, the Board will give due consideration to the availability of financial resources, the present and future financial requirements of the Company and other relevant factors.

5. Financial parameters and other internal & external factors that shall be considered for declaration of dividend (final & interim):

Internal factors

- Profits earned during the financial year as compared with the previous years
- Cash flow position and accumulated reserves of the Company
- Stability in earnings
- Future requirements for growth & expansion
- Debt to equity ratio
- Distributable surplus available as per the Companies Act 2013 and Rules thereunder
- Capital expenditures

- Dividend payout history
- Any other factor as the Board may deem fit

External factors

- Prevailing taxation policy or any expected amendments thereto
- Change in government policies
- Inflation rate
- Industry outlook for the future years
- Economic environment
- Cost of external financing
- Payout ratio of comparable companies
- Any other factor as the Board may deem fit

The Board may declare upto 20 percent of the Net Profit for the Financial Year after considering the above factors.

The Board may in event of loss or inadequacy of profits in a given year, taking into consideration of the shareholders' expectations, past dividend payout history etc., declare payment of some dividend out of its reserves as may be permitted by the law.

In event of challenging circumstances such as adverse economic cycles and industry projections, the performance of the Company in the coming years, pressure on cash flow on account of various factors such as higher working capital requirements, etc, the Company may, decide not to declare a dividend even when in a given year, the Company has generated adequate profits.

6. Policy as to how retained earnings shall be utilized

- Capital expenditure
- Declaration of dividend
- Issue of bonus shares or buy back of shares
- Other permitted usage by the Companies Act 2013

7. Parameters that shall be adopted with regard to various classes of shares

Currently the Company has only one class of shares, i.e. equity shares. As and when the Company issues any different class of shares, this Policy will reviewed and modified accordingly.

8. Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this

Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

9. Disclaimer

This Policy does not guarantee any assured returns on the Company's equity shares.