SANGHVI BRANDS LIMITED

CIN- L74999PN2010PLC135586

DIVIDEND POLICY

Registered Address: -

Sanghvihouse,105/2, Shivajinagar, Pune, Maharashtra-411005

DIVIDEND POLICY

PREAMBLE

This Dividend Distribution Policy ("Policy") is framed in accordance with the provisions of the Companies Act, 2013 and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time.

The Policy aims to lay down the broad parameters to be considered by the Board of Directors of the Company while declaring or recommending dividend and to ensure transparency and consistency in the Company's dividend decisions.

OBJECTIVE

The objectives of this Policy are:

- To outline the Company's philosophy on dividend distribution;
- To provide guidance to shareholders on the circumstances under which dividends may be declared;
- To balance the dual objectives of rewarding shareholders and retaining earnings for growth and sustainability.

DEFINITIONS

Unless the context otherwise requires, the terms used in this Policy shall have the meanings assigned to them below:

"Act"
The Companies Act, 2013 and rules made thereunder, as amended from time to time.

"Board"
The Board of Directors of the Company.

"Company"
Sanghvi Brands Limited

"Dividend"
Dividend as defined under Section 2(35) of the Companies Act, 2013.

"Policy"
This Dividend Distribution Policy, as amended from time to time.

DIVIDEND PHILOSOPHY

The Company aims to distribute dividends in a manner that ensures a balance between:

- Providing consistent returns to shareholders;
- Retaining sufficient earnings for future growth, capital expenditure and business expansion;
- Maintaining a strong financial position and liquidity.

The declaration of dividend shall be subject to the overall performance of the Company, economic environment, and compliance with statutory requirements.

PARAMETERS FOR DECLARATION OF DIVIDEND

The Board shall consider the following financial and internal factors while declaring or recommending dividend:

5.1 Financial Parameters

- **Current year profits and accumulated reserves;**
- **Cash flow position and liquidity;**
- **Capital expenditure requirements;**
- **Working capital requirements;**
- **Past dividend trends;**
- **Debt obligations and repayment schedules.**

5.2 Internal Factors

- **Business expansion and growth plans;**
- **Acquisition or strategic investment opportunities;**
- **Contingent liabilities and commitments;**
- **Any other factor as deemed relevant by the Board.**

5.3 External Factors

- **Prevailing economic conditions;**
- **Industry outlook and business cycle;**
- **Changes in legal, regulatory or tax framework;**
- **Force majeure events affecting business operations.**

Under the Companies Act, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

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Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company. We have not declared dividend in any Financial Year.

CIRCUMSTANCES UNDER WHICH DIVIDEND MAY NOT BE DECLARED

The Board may decide not to declare dividend in the following circumstances:

- Inadequate or absence of profits;
- Significant cash flow constraints;
- Requirement of funds for major capital expenditure or expansion;
- Adverse market or economic conditions;
- Any other situation where the Board considers it prudent to conserve resources.

TYPE OF DIVIDEND

The Company may declare the following types of dividend subject to applicable laws:

- Interim Dividend;
- Final Dividend

Review

This Policy will be reviewed and amended as and when required by the Board.

Disclosure of the policy

This Policy will be uploaded on the website of the Company

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Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy. The Board may review and amend this Policy from time to time, as may be deemed necessary.

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