

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015” as amended (the “**Listing Regulations**”), The board of directors (the “**Board**”) of Shri Venkatesh Refineries Limited(the “**Company**”) has adopted and formulated Dividend Distribution Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company’s website at <http://richsoya.in>

2. DEFINITIONS

The terms referred to in this policy (“**Policy**”) will have the same meaning as defined under the Companies Act, 2013 (the “**Act**”) and the rules made there under and the Listing Regulations.

3. EFFECTIVE DATE

The Policy will come into effect on its adoption by the Board.

4. OBJECT

The object of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Policy aims to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient funds are retained for the growth of the Company.

5. SCOPE

The Policy covers the following:

a. Dividend to Equity Shareholders of the Company:

At present the Company has only one class of equity shares. However, if at any point of time, the Company has multiple classes of equity shares, the dividend will be distributed equally among all the equity shareholders based on their shareholding on the record date. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

b. Interim Dividend:

Interim Dividend(s), if any, shall be declared by the Board. Before declaring Interim Dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting (“**AGM**”).

c. Final Dividend:

Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

6. PARAMETERS TO BE CONSIDERED

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

a. **Statutory Requirements:** The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

b. **Internal Factors:** The Board shall consider following internal factors:

1. Company's Liquidity position including its present and expected obligations.
2. Profits of the Company.
3. Present and Future Capital expenditure plans of the Company including organic / inorganic growth opportunities.
4. Financial commitments with respect to the outstanding borrowings and interest thereon.
5. Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses.
6. Past dividend trend of the Company and the industry.
7. Cost of borrowings.
8. Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
9. Additional investments in subsidiaries/ associates of the Company.
10. Any other relevant or material factor as may be deemed fit by the Board.

c. **External Factors:** The Board shall consider following external factors:

1. State of economy and capital markets.

2. Applicable taxes including dividend distribution tax.
3. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
4. Any other relevant or material factor as may be deemed fit by the Board.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Company may be restrained to declare dividends in following circumstances:

- a. Inadequate profits: If during any financial year, the profits of the Company are not adequate, the Board may decide not to recommend any dividend for that year.
- b. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.
- c. Significant higher working capital requirements adversely impacting free cash flows.
- d. Whenever it undertakes any acquisitions or restructuring or joint ventures requiring significant allocation or reduction of capital.
- e. Whenever it proposes to utilise surplus cash for buy- back of securities.

8. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- a. Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- b. Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

9. MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings shall be deployed in line with the objects of the Company as detailed in Memorandum of Association of the Company. The Company shall endeavour to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and also its shareholders. The decision of utilization of the retained earning shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

10. AENDMENT

The Board may, from time to time, make amendment(s) to this Policy to the extent required due to change in applicable laws and / or regulations or as deemed fit on a review.