

ASHAPURA MINECHEM LTD.
DIVIDEND DISTRIBUTION
POLICY
(CIN: L14108MH1982PLC026396)

1. Background and applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“**Regulations**”) require the top 1000 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors (“**Board**”) of Ashapura Minechem Limited (“**Company**”) has adopted this Dividend Distribution Policy to comply with these requirements. This policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

2. Dividend distribution philosophy

The Company is deeply committed in value creation for all its stakeholders. The focus will continue to be on long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. Circumstances under which shareholders can expect Dividend

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

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 (the Act). If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

5. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations
- The Company’s liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company

- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure and Investment requirements
- Cost and availability of alternative sources of financing
- Stipulations/ Covenants of loan agreements
- Macroeconomic and business conditions in general
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

6. Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

7. Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

Approved by Board of Directors: 22nd June 2021