



**TERMINALS**

**Allcargo Terminals Limited**

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## **DIVIDEND DISTRIBUTION POLICY**

## 1. REGULATORY FRAMEWORK

The Securities and Exchange Board of India (“**SEBI**”) vide its Notification No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) by inserting a new Regulation 43A which requires top five hundred listed companies (based on the market capitalization at the end of every financial year) to formulate a Dividend Distribution Policy (“**Policy**”), which shall be disclosed in its Annual Report and on its website.

Further, vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. May 05, 2021, applicability of formulating Dividend Distribution Policy has been extended to top thousand listed companies (based on the market capitalization at the end of every financial year).

The terms referred to in this 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.

## 2. OBJECTIVE

This Policy lays down a broad framework for considering decisions by the Board of Directors of the Company (“**Board**”) with regard to distribution of dividend to its shareholders by striking a balance between pay-out and retaining earnings on the basis of the future growth strategy of the Company.

## 3. APPLICABILITY

This Policy shall not apply to determination and declaration of dividend on preference shares as the same will be as per the terms of their issue approved by the shareholders.

## 4. RELEVANT FACTORS FOR CONSIDERATION WHILE DECIDING THE DIVIDEND PAYOUT

The Board shall consider the following while taking a decision as regards the dividend payout. Also, the Company shall declare dividend only after ensuring compliance with provisions of the Companies Act, 2013 and rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Articles of Association and any other regulations as may be applicable from time to time.

- a) **Financial parameters** such as operating cash flows, cost of borrowings, borrowing covenants, return on capital invested, major capital expenditures, etc.
- b) **External Factors** such as macro-economic conditions prevailing in the country and globally, cost of external financing, cyclical changes in the business, tax implications, regulatory changes, Government policies etc.
- c) **Internal Factors** such as profit earned during the year and available for distribution, working capital requirements, business expansion and acquisition of businesses, likelihood of crystallization of contingent liabilities, if any; additional investment in subsidiaries, associates and joint ventures of the Company, up-gradation of technology and physical infrastructure and past dividend payout ratio/trends.
- d) Expectations of major stakeholders, including small shareholders.

- e) Other factors which the Board may consider.

## **5. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED**

The shareholders of the Company may not expect dividend under the following circumstances:

- Whenever the Company undertakes or proposes to undertake major projects such as acquisitions, amalgamation, merger, joint ventures etc. which require significant capital outflows;
- Higher working capital requirements adversely impacting free cash flow;
- Whenever the Company proposes to utilize surplus cash for buy-back of securities;
- In the event of inadequacy of profits or whenever the Company has incurred losses; and
- Any other circumstances as deemed fit by the Board.

## **6. MANNER OF DIVIDEND PAYOUT**

Dividends may be recommended by the Board once in a year, after the announcement of the annual results and before the Annual General Meeting of the shareholders, as may be permitted by the Companies Act, 2013 (“Act”)

Interim dividend:

Interim dividend (one or more interim dividends may be declared by the Board as may be permitted by the Act) may be declared before the end of the financial year:

- out of the surplus in the profit and loss account
- out of the profits of the financial year in which interim dividend is sought to be declared.
- In case, the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of the dividend, such dividend shall not be declared at a rate higher than the average dividends declared during three preceding financial years

Final dividend:

- Final dividend may be declared after the year end audited financials are available and after taking into account the interim dividends declared in that year.
- Unrealised gains in other comprehensive income will not be considered for declaration of dividend.

In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend.

## 7. MINIMUM PAYOUT OF DIVIDEND

The Board may pay a dividend from Profit After Tax (PAT) subject to the maximum dividend permitted under the extant legal provisions.

## 8. MANNER OF UTILIZATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and to increase the value of the Company for the stakeholders in the long run. The retained earnings may be utilized for market and logistics services expansion plan; organic and inorganic growth, modernization plan and increase in capacity; diversification of business; long term strategic plans; replacement of capital assets; and such other purposes as the Board may deem fit from time to time.

## 9. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company currently has only one class of shares viz. equity shares, for which this Policy is applicable. This Policy shall be suitably revisited at the time of issuance of any new class of shares depending upon the nature and guidelines thereof.

## 10. REVIEW AND AMENDMENTS TO THIS POLICY

This Policy would be subject to revision/amendment by the Board on its own or in accordance with the amendments notified by SEBI or such other relevant statutory authorities, from time to time.

## 11. DISCLOSURES

This weblink of Dividend Distribution Policy shall be disclosed in the Annual Report and shall be placed on the website of the Company i.e. at [www.allcargoterminals.com](http://www.allcargoterminals.com).

## 12. CONFLICT IN POLICY

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

## 13. DISCLAIMER

This document neither solicits investments nor is an assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

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Version	Effective Date	Description of Changes
1.0	August 21, 2023	Adoption at Board Meeting held on August 21, 2023