



DIVIDEND DISTRIBUTION POLICY

Under Regulation 43A of the SEBI (LODR) Regulations, 2015

Approved by

Audit Committee and Board of Directors

Dated 11th March, 2022

SENCO GOLD LIMITED

CIN: L36911WB1994PLC064637

Registered & Corporate Office:

Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor,

Unit no. 1001, Kolkata-700017, West Bengal, India

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION:

Regulation 43A of the SEBI(LODR) Regulations, 2015 requires the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. The other listed companies may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

The Board of Directors (“the Board”) of Senco Gold Limited (“the Company”) has adopted the following policy voluntarily and the Board may amend this policy from time to time.

2. OBJECTIVES OF POLICY

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.;

3. DEFINITIONS

In this Policy:

- (a) **Act** means the Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made there under.
- (b) **Applicable Laws** shall mean the Companies Act, 2013 and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, together with the circulars issued thereunder; and such other act, rules or regulations which deal with the distribution of dividend.
- (c) **Board or Board of Directors** shall mean Board of Directors of the Company.
- (d) **Dividend** includes interim dividend.

Words and Expressions used and not defined in this Policy but defined in the Act or Applicable Laws shall have the same meaning respectively assigned to them in those Acts/Applicable Laws

4. PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND:

The Board of Directors of the Company shall consider the following financial, internal and external parameters while declaring or recommending dividend to shareholders:

4.1 CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and SEBI(LODR) Regulations, 2015. The shareholders of the Company may expect dividend only if the Company is having adequate profits after complying with all other statutory requirements under the Applicable Laws.

Subject to the discretion of the Board, the shareholders of the Company may not expect dividend in the following circumstances.

- in case of inadequacy of profits or whenever the Company has incurred losses;
- whenever the Company undertakes or proposes to undertake any significant business expansion/ investment /acquisitions;
- significant working capital requirement affecting free cash flow;
- whenever the Company proposes to utilize surplus cash for buy- back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- whenever declaration of dividend is prohibited by any regulatory body.

4.2 FINANCIAL PARAMETERS

The Board of the Company shall consider the following financial internal parameters while declaring or recommending dividend to shareholders:

- Profits earned and available for distribution during the financial year
- Net worth, net owned funds and accumulated reserves;
- Retained Earnings
- Earnings outlook for next two to three years
- Availability of adequate Cash Reserves for future growth and expansion plans.
- Long- term investment proposals, capital restructuring, debt reduction
- Crystallization of contingent liabilities of the Company
- Cash Flows and cash available for distribution
- Debt repayment schedules, if any
- Fund requirement for contingencies and unforeseen events with financial implications
- Banking Covenants and Ratios
- Credit rating and its upgrade Return on assets and return on equity;
- Earnings per share;
- Capital adequacy ratios;
- Liquidity ratios;

4.3 INTERNAL AND EXTERNAL FACTORS

(i) Internal Factors:

Following are the internal factors to be considered while declaring or recommending dividend:

- Brand/ Business Acquisitions
- Additional investments in subsidiaries of the Company
- Expected future capital / expenditure requirements of the Company
- Past Dividend trend including Interim dividend paid, if any; and
- Any other relevant factors and material events

(ii) External Factors:

Following are the external factors to be considered while declaring or recommending dividend:

- Regulatory or statutory changes significantly affecting the business.
- Technological changes necessitating significant investments in the businesses
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
- Dividend pay-out ratios of companies in the same industry

4.4 UTILIZATION OF RETAINED EARNINGS

The Company shall endeavor to utilize retained earnings in a manner which is beneficial to the interests of the Company and also its shareholders. The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- ♣ Long term strategic plans
- ♣ Augmentation/ Increase in production capacity
- ♣ Market expansion plan
- ♣ Product expansion plan
- ♣ Modernization plan
- ♣ Diversification of business
- ♣ Replacement of capital assets
- ♣ Balancing the Capital Structure by de-leveraging the company
 - Any acquisition or Takeover plan
- ♣ Other such criteria as the Board may deem fit from time to time.

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

The dividend payments in respect of shares other than equity shares , if any, shall 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

5.CATEGORY OF DIVIDENDS & PROCEDURE FOR DIVIDEND DECLARATION

5.1 Interim Dividend

The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

5.2 Final Dividend

The Board shall have the power to recommend the payment of final dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

5.3 Dividend Range:

Subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take into account optimal stakeholder return.

5.4 Procedure:

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal. Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

6. REVIEW / AMENDMENT

The Board can amend this Policy, as and when deemed fit. Any amendments to the Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Chief Financial Officer of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

8. Effective date

This Policy shall be effective immediately from the date of Listing of Equity Shares of the Company.