



## ABANS HOLDINGS LIMITED

### DIVIDEND DISTRIBUTION POLICY

**Abans Holdings Limited**

(Formerly Known as Abans Holdings Pvt. Ltd.)

**CIN:** U74900MH2009PLC231660

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## **DIVIDEND DISTRIBUTION POLICY**

### **1. OBJECTIVE AND PHILOSOPHY**

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company in accordance with the provisions of Companies Act, 2013 read with the applicable rules framed thereunder, as may be in force for the time being (“Companies Act”).

The Policy sets forth the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.

Thus, the Company would first utilize its profits inter- alia for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

### **2. DEFINITIONS**

**Unless repugnant to the context:**

**“Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.**

**“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 and such other act, rules or regulations which provides for the distribution of Dividend.**

**“Company or AHL” shall mean Abans Holdings Limited.**

**“Chairman” shall mean the Chairman of the Board of Directors of the Company.**

**“Compliance Officer” shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**“Board” or “Board of Directors” shall mean Board of Directors of the Company.**

**“Dividend” shall mean Dividend as defined under Companies Act, 2013.**

**“MD” shall mean Managing Director of the Company.**

**“Policy or this Policy” shall mean the Dividend Distribution Policy.**

**“SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.**

### 3. Interpretation

In this Policy, unless the contrary intention appears:

- the clause headings are for ease of reference only and shall not be relevant to interpretation;
- a reference to a clause number includes a reference to its sub-clauses;
- words in singular number include the plural and vice versa;
- Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

### 4. Parameters for declaration of Dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013 (the Act). The Board may also declare interim dividends as may be permitted by the Act.

Dividend will continue to be accrued and payable with respect to shares held in abeyance.

Subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, business requirements and taking into account optimal shareholder return.

Dividend pay-out would also be subject to profitability under Standalone Financial Statements and while determining the nature and quantum of the dividend pay-out, only after ensuring compliance with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.

The Board would take into account the following factors:

Financial and Internal Parameters to be considered while declaring dividend:

- a. Results of operations;
- b. Earnings;
- c. Capital expenditure requirements and surplus;
- d. Current and future cash flow requirements;
- e. Providing for unforeseen events and contingencies;
- f. General financial conditions;
- g. Contractual restrictions;
- h. Market conditions;
- i. Competition intensity;
- j. Applicable Indian legal restrictions;
- k. Adherence to requirement of SEBI Listing Regulations, Companies Act, 2013 and Rules made thereunder and as amended from time to time; and
- l. Additional investment in subsidiaries and associates of the company
- m. Debt levels and cost of borrowings
- n. Other factors as may be considered relevant by the Board of Directors.

Other external factors to be considered while declaring dividend, including, but not limited to:

- a. Business Cycles;
- b. Industry Outlook and Economic environment;
- c. Cost of external financing;

- d. Applicable taxes including tax on dividend;
- e. Capital market conditions;
- f. Global market conditions;
- g. Statutory provisions and guidelines
- h. Dividend pay-out ratio of competitors
- i. Inflation rate and
- j. Changes in the government policies;

The Board may additionally recommend special dividend in special circumstances. 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. Parameters to be adopted with regard to various classes of shares**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

#### **6. Utilization of Retained Earnings:**

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

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

- i. Market expansion plans
- ii. Declaration of dividend;
- iii. Diversification of business;
- iv. Long term strategic plans for growth;
- v. Replacement of capital assets;
- vi. Capitalization of shares;
- vii. General corporate purposes, including contingencies;
- viii. Such other criteria have as the Board may deem fit from time to time.

Retained earnings will generally be used to strengthen the financial position of the Company and will be used for declaration of dividends in special circumstances.

#### **7. Circumstances under which the shareholders of the Company may or may not expect dividend**

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans, renovations and up-gradations requiring higher capital allocation
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- iii. Requirement of higher working capital for the purpose of business of the Company
- iv. Debt obligations
- v. Proposal for buy-back of securities
- vi. In the event of loss or inadequacy of profit
- vii. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- viii. Organic/ or inorganic growth

## **8. Procedure**

The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

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

## **9. Review / Amendments to Policy:**

The Board may review, amend, abrogate, modify or revise any or all provisions of this Policy from time to time. However, amendments in the Act or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be deemed to be incorporated in this Policy and shall be binding.

## **10. Disclosure:**

This Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at <https://abansholdings.com>