

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Introduction

As per Regulation 43A Sub-regulation (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top One Thousand listed entities need to mandatorily formulate a dividend distribution policy based on market capitalization and as per its sub-regulation (3) the listed entities other than those specified at sub-regulation (1) of this regulation may disclose their dividend distribution policies on a voluntary basis. The Board of Directors ("Board") of Bansal Roofing Products Limited ("Company") has adopted this Dividend Distribution Policy on Voluntary basis as per sub-regulation (3).

2. Parameters to be considered while recommending/declaring dividend

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

i.) Financial / Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

ii.) External Factors:

- Economic environment, both domestic and global.
- Unfavourable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

3. Circumstances Under Which Shareholders May or May Not Expect Dividend

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

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

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company has significantly higher working capital requirement affecting free cash flow.
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

4. Policy as to how the retained earnings will be utilized

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
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

5. Dividend Payout Ratio

The Board will strive to maintain a dividend payout ratio that aligns with the company's long-term earnings growth, cash flow availability, and financial stability. The ratio may vary based on the factors mentioned above.

6. Parameters that shall be adopted with regard to various classes of share

The Company has only one class of shares referred to as equity shares of the face value of Re. 10/- each, forming part of its Issued, Subscribed and Paid – up share capital.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting.

7. Disclosures

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.bansalroofing.com

8. Policy Review and Amendments

The Policy will be reviewed and amended periodically by the Board as and when required.

9. Disclaimer

- a) The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
- b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

By and order of Board of Directors,
Bansal Roofing Products Limited

