

RUDRABHISHEK ENTERPRISES LIMITED

**DIVIDEND DISTRIBUTION
POLICY**

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1) INTRODUCTION

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Although the above provision are not applicable to our company- REPL. However, the company voluntarily and in the interest of its stakeholders, has framed a Dividend Distribution Policy ("Policy"). This policy has been adopted by the Board of Directors of the Company at its meeting held on 14th November, 2018, being the effective date of this Policy.

2) OBJECTIVE

The objective of this Policy is intended to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. Through this policy, the Company also endeavors to maintain fairness & consistency while distributing its profits as dividend to the shareholders.

The Policy sets forward the various factors, conditions & circumstances for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

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. However, it should not be considered as an alternative to the decision of Board for recommending dividend every year.

3) STATUTORY REQUIREMENTS

This policy shall be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") such other applicable provisions of law.

4) DEFINITIONS

1. "Act" shall mean the Companies Act, 2013 including the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time.
2. "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 together with the circulars issued thereunder; as amended from time to time and such other act, rules or regulations which deals with the distribution of dividend
3. "Board" or "Board of Directors" shall mean Board of Directors of the Company.
4. "Company" shall mean "Rudrabhishek Enterprises Limited" or "REPL".

5. "Dividend" represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold including Interim Dividend
6. "Free Reserves" shall mean such reserves which, as per the latest audited balance sheet of a Company, are available for distribution as dividend:
Provided that -
 - (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as reserves or otherwise, or
 - (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves."
7. "Policy" or "this Policy" shall mean the Dividend Distribution Policy.
8. "SEBI LODR" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder; as amended from time to time.
9. "Stock Exchange" shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956

5) **STATUTORY PROVISIONS RELATING TO DISTRIBUTION OF DIVIDEND**

In accordance with the provisions of the Act, dividend shall be declared or paid only:

- A. Out of distributable profits of current year or previous financial years:
 - (i) Current financial year's profit after tax of standalone financial statement as per applicable Accounting Standards:
 - (a) after providing for depreciation in accordance with Applicable laws and regulations;
and
 - (b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion; OR
 - (ii) Profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with Applicable Laws and regulations;
 - b) remaining undistributed;
- OR
- (iii) A combination of (i) & (ii) above;
- B. Out of free reserves – in the event of inadequacy/absence of profits

In the event of inadequacy or absence of profits in any year, Company may declare dividend out of free reserves, subject to fulfilment of conditions specified under the Act, as amended from time to time.

C. Company may, in certain cases, declare dividend using a combination of A and B above.

6) FINANCIAL PARAMETERS AND OTHER INTERNAL & EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Board while arriving at the decision of dividend payout to the shareholders, at its discretion, will consider the following internal and external factors:

INTERNAL FACTORS:

- Accumulated reserves, including retained earnings
- Current year's Profit/ Inadequacy of profit
- Capital restructuring, Debt reduction, Capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Cash Flows & available cash balance
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.
- Distributable surplus available as per the Act and Regulations
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Profit earned under the Consolidated Financial Statement
- Other factors, as the Board may think fit.

EXTERNAL FACTORS:

- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Cost of external financing
- Economic environment, both domestic and global.
- Inflation rates
- Sense of shareholders' expectations
- Unfavorable market conditions
- Other factors, as the Board may think fit.

7) CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Dividend for any financial year shall normally be paid out of the Company profits for that year, as calculated in line with the applicable laws. If circumstances require, the Board may, at its discretion, also declare dividend out of accumulated profits of any previous financial year(s), subject to compliance of applicable laws. The Board shall recommend dividend when, according to the Board's opinion, it is financially prudent to do so, especially considering the need to preserve resources.

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

1. the Company has inadequacy of profits or incurs losses for the Financial Year;
2. the Company has inadequate cash balance during the Financial Year;
3. the Company has significantly higher working capital requirement affecting free cash flow.

4. the Company is prohibited to recommend/declare dividend by any regulatory body.
5. the Company proposes to utilize surplus cash for buy- back of securities;
6. the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
7. the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
8. Overall market situation and other things as per company's state of profitability.
9. Cash requirement for any other unforeseen contingencies or circumstances
10. Other factors that may be considered relevant from time to time, in the interest of Company.

8) QUANTUM FOR DIVIDEND PAYOUT

The dividend history of the Company over the past 10 years is as follows:

	(in Rs.)									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Dividend per share	0.5	10	10	10	10	10	10	10	10	10
Total Dividend paid	8671250	5605000	5605000	5605000	5605000	5605000	5605000	2905000	2905000	2905000
Standalone PAT	52619586	41404926	54223848	46788684	75919921	39759950	31231899	17805336	8275087	13080915
Dividend payout (as % to Standalone PAT)	16.48	13.54	10.34	11.98	7.38	14.10	17.95	16.32	35.11	22.21

Considering the aforementioned dividend payment track record of the Company, the Company shall endeavor to maintain a total dividend pay-out ratio of minimum 10% of the annual standalone profits after tax (PAT) of the Company.

The Board shall consider the factors provided above before determination of any dividend pay-out after analysing the prospective opportunities and threats, viability of the options of dividend pay-out or retention etc. However, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only as per the applicable provisions of the Act. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits.

9) MANNER AND TIMELINES FOR DIVIDEND PAYOUT

The Company shall pay dividend (including interim dividend) in compliance with the provisions of Section 123 of the Act and Companies (Declaration and Payment of Dividend) Rules, 2014. The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

Dividend Distribution shall be in accordance with the applicable provisions of the Act and Rules framed thereunder, SEBI Regulations and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time

10) REVIEW OF POLICY

The Policy will be reviewed periodically by the Board. Any changes in the policy will be communicated to the shareholders.

11) DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company at www.repl.global.

12) DISCLAIMER

- a) The Policy is a general guideline & does not constitute any commitment regarding the future dividends of the Company and as such does not 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 required at the discretion of Board.
- b) This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.
- c) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue belief on any of the forward- looking statements in the Policy.