

## **Dividend Distribution Policy**

### **INTRODUCTION**

This Dividend Distribution Policy is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the 'Listing Regulations'). The Board of Directors of Alacrity Securities Limited (the "Company"), herein after referred as "the Board", has approved the Dividend Distribution Policy of the Company ("the Policy") and shall disclose the same on a voluntary basis in the annual reports and on the website of the Company. This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes.

### **OBJECTIVE**

The Company aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavors to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach to dividend declaration.

### **EFFECTIVE DATE**

Dividend Distribution Policy shall be effective from the date of its approval by the Board of Directors.

### **POLICY FRAMEWORK**

The Policy has been formulated in line with the provisions of the Companies Act, 2013, Regulations issued by SEBI, Guidelines on Capital Restructuring of Central Public Sector Enterprises issued by Department of Investment and Public Asset Management (DIPAM), Guidelines issued by Ministry of Finance/Ministry of Corporate Affairs and other guidelines, to the extent applicable on the Company. Any subsequent amendments in these provisions would, ipso-facto, apply to this Policy. The Policy is not an alternative to the decision taken by the Board regarding declaration/recommendation of dividend after considering the various relevant factors.

### **DIVIDEND**

Dividend is the amount paid by the Company out of profits, to its Shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

### **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND**

The decision regarding dividend payout is a vital decision, as it determines the amount of the profit to be distributed among its shareholders and the amount of the profit to be retained in business for the future growth and modernization expansion plan of the Company. The

Company would continue to adopt a progressive and dynamic dividend distribution policy to ensure its immediate and long term requirements along with rewarding the Shareholders of the Company. Dividend for the financial year shall be decided/recommended by the Board, considering, statutory, economic, market, industry, external and internal factors.

#### **Parameters for Dividend Distribution**

The Company has only one class of shares i.e. Equity shares and, hence, the parameters disclosed here under apply to the same.

The Board while considering payment of dividend for a financial year may, inter alia, consider the following factors:

Profit for the financial year as well as general reserves of the Company.  
Projections of future profits and cash flows;  
Borrowing levels and the capacity to borrow including repayment commitments;  
Present and future Capital expenditure plans of the Company including organic/inorganic growth avenues;  
Applicable taxes including tax on dividend;  
Compliance with the provisions of the Companies Act or any other statutory guidelines including guidelines issued by Government of India;  
Past dividend trend for the Company and the industry;  
State of economy and capital markets; and  
Any other factor as may be deemed fit by the Board.

The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.

#### **General**

In the event of the Policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision.

The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the Policy as it may deem fit or in accordance with the guidelines and regulations as may be issued by Securities and Exchange Board of India, Government of India or any other regulatory authority. The change in the policy shall, however, be disclosed along with the justification thereof on the Company's website and in the ensuing annual report of the Company in accordance with the extant regulatory provisions.