



DIVIDEND DISTRIBUTION POLICY

Name of the Document	Dividend Distribution Policy
Original Issue/ Release Date	August 09, 2024
Issuing Authority	Board of Directors of the Company
Owner of the Document	Company Secretarial Department

Metalman Auto Limited

Corporate Identity Number: U34103DL1986PLC305213

Regd. Off: JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi 110 037, Delhi, India



DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the “Board”) of Metalman Auto Limited (the “Company”) at its meeting held on August 9, 2024 has adopted this Dividend Distribution Policy (the “Policy”) on a voluntary basis in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) read with the Companies Act, 2013 (“Act”).

This Policy shall come into force with effect from the date the SEBI Listing Regulations take effect with respect to the Company.

OBJECTIVE

The objective of this Policy is to establish the general parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Policy endeavours 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 Company would endeavour to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

POLICY FRAMEWORK

The Policy has been formulated in line with the provisions of the SEBI Listing Regulations read with Act, and other Statutes for the time being, 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.

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

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will 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.

DEFINITIONS

The terms referred to in the Policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Listing Regulations.



DIVIDEND

Dividend is the amount paid by the Company, subject to the SEBI Listing Regulations read with Act, 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 includes any interim dividend. Dividend can be paid as interim or final.

INTERIM DIVIDEND

- (a) The Board of Directors of the Company shall declare the interim dividend during the financial year, as and when it considers fit to so declare;
- (b) The interim dividend can be declared by the Board of Directors one or more times in a financial year and normally, the Board may consider the declaration of interim dividend after the finalization of the quarterly/half yearly financial statements of the Company;
- (c) The interim dividend, if declared, shall be paid to the eligible members of the Company, as per the SEBI Listing Regulations read with Act and other laws, to the extent applicable.

FINAL DIVIDEND

The final dividend, if any, is paid once in a financial year after the preparation of the annual financial statements;

- (a) The Board of Directors shall recommend the final dividend to the members of the Company for their approval in the Annual General Meeting of the Company. The declaration of final dividend, if any, shall be included in the ordinary business items to be transacted at the Annual General Meeting of the Company;
- (b) The final dividend shall be paid to the eligible shareholders subject to the SEBI Listing Regulations read with Act and other laws, to the extent applicable.

CIRCUMSTANCES UNDER WHICH THE DIVIDEND MAY OR MAY NOT PAID

The Board of directors of the Company shall comply with provisions of the SEBI Listing Regulations read with Act and other laws, to the extent applicable, while declaring or recommending dividend on equity shares of the Company. The Board shall, while declaring or recommending dividend, shall take into consideration a number of factors including but not limited to the advice of the executive management of the Company and future expansion plans and capital requirements apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or such other factors which may be considered by the Board which is stipulated in this Policy.



The Company may not declare dividend or declare dividend at a lower rate under the following circumstances:

- (a) in the event of the Company making losses or the profits are inadequate;
- (b) where the Company is having requirement of funds for Capex requiring high capital allocation, working capital, repayment of loans taken in the past;
- (c) inadequate availability of cash; and
- (d) higher cost of raising funds from alternate sources;
- (e) such other factors for the time being considered necessary by the Board.

INTERNAL/EXTERNAL PARAMETERS WHILE DECLARING OR RECOMMENDING DIVIDEND TO THE MEMBERS OF THE COMPANY

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

- a) Profits earned during the fiscal and overall financial position;
- b) Future expansion plans and capital requirements;
- c) Liquidity and return ratios based on the outlook for next three to five years;
- d) taxation and other regulatory concern for the time being;
- e) Any other relevant factors and material events that require cash investment; and
- e) Any other factors as considered relevant by the Board.

The Board of directors of the Company shall consider the external factors which shall be considered for declaration of dividend or recommendation of dividend to the members of the Company. The dividend, if any, will depend on a number of external factors including the following:

- a) Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates or its suppliers/vendors as the case may be;
- b) Any political, tax and regulatory changes in the geographies in which the Company operates or its suppliers/vendors as the case may be;
- c) Past dividend trend of the Company and the industry;
- d) Any significant change in the technological environment resulting the Company has to make significant investments; and
- e) Any changes in the competitive or economic or political environment at local, regional or national or international level requiring significant investment
- f) Any other factor as may be deemed fit by the Board.



In addition to the aforesaid parameters (Internal/External) such as realized profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based on the number of other factors such as the cash flow, cost of borrowings, or any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration or recommendation of dividend, as the case may be.

Dividend for every financial year shall be decided by Board considering various statutory requirements, financial performance of the Company and other internal and external factors enumerated earlier in the Policy.

UTILISATION OF RETAINED EARNINGS

It will be endeavor of the Company to utilize the retained earnings in a manner which shall be beneficial to the best interests of the Company and also its members of the Company.

The Company may utilize the retained earnings for business expansion and strategic investment, investment in the state of the art technology among others which is required for future growth and generation of higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company from time to time.

REVIEW

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

LIMITATION AND AMENDMENT

In the event of any conflict between the Act or the SEBI Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this Policy, the Regulations shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this Policy.

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, Ministry of Corporate Affairs, Government of India or any other regulatory authority.

MISCELLANEOUS

Details of this Policy shall be disclosed by the Company on its website and in the Board's report of the Company.