



VISHVARAJ ENVIRONMENT LIMITED

DIVIDEND DISTRIBUTION POLICY

Table of Contents

1. Definitions	3
2. Category of Dividend	3
3. Scope & Objective	3
4. Statutory Requirements	4
5. Parameters to be considered while Declaring Dividend	4
6. Applicability	4
7. Circumstances for expecting Dividend	5
8. Quantum and manner of Dividend Payout	5
9. Policy for Retained Earnings Utilization	5
10. Dividend on Shares with Differential Voting Rights	6
11. Policy Review & Amendment	6
12. Conflict of Policy	6
13. Disclosure	6
14. Disclaimer	6
15. Dividend on Preference Shares	6

1. Definitions

In this Policy:

- a. **“Act”** means the Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made there under.
- b. **“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, (“Listing Regulations”) as amended from time to time, together with the circulars issued thereunder; and such other act, rules or regulations which deals with the distribution of dividend.
- c. **“Dividend”** includes interim dividend. Words and Expressions used and not defined in this Policy but defined in the Act or Applicable Laws shall have the same meaning respectively assigned to them in those Acts/Applicable Laws.
- d. **“Company”** shall mean Vishvaraj Environment Limited.
- e. **“Board”** or **“Board of Directors”** shall mean Board of Directors of the Company.
- f. **“Policy”** or **“this Policy”** shall mean the Dividend Distribution Policy.

2. Category of Dividend

a. Final Dividend

The Board shall have the power to recommend the payment of final dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the annual general meeting.

b. Interim Dividend

The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

3. Scope and Objective

This Policy seeks to lay down a broad framework for the declaration and distribution of dividend by the Company during or for any financial year by the Company whilst appropriately balancing the need of the Company to retain resources for the Company’s growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the Shareholders aiming at both Company’s & Shareholder’s Value. The Policy sets out the circumstances and different factors 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. Through this Policy, the Company endeavors to bring a fair, transparent and consistent approach to its dividend pay-out plans. The Policy has been framed, broadly, in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by RBI and other regulations, to the extent applicable. The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board. The Policy is being recommended for adoption by the Board of Directors of Vishvaraj Environment Limited

4. Statutory Requirements

The declaration and distribution of dividend shall, at all times, 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") in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, such other applicable provisions of law and the Articles of Association of the Company as amended.

5. Parameters to be considered while Declaring Dividend

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

Financial/Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- 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 DIVIDEND DISTRIBUTION POLICY [Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash position
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

External Factors:

- Economic environment, both domestic and global.
- Unfavorable 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
- Technological changes necessitating significant investments in the businesses

6. Applicability

The policy shall not apply to:

- Distribution of dividend in kind i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law
- Distribution of cash as an alternative to payment of dividend through Buyback of equity shares

7. Circumstances for expecting 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 or setting off of previous year losses or losses of its subsidiary/ies
- the Company is prohibited to recommend/declare dividend by any regulatory body

8. Quantum and manner of Dividend Payout

Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the Standalone Financial Statements only. The Company may declare dividend for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company. The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

9. Policy for Retained Earnings Utilization

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
- Future Growth
- Market 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
- Generating higher returns for Shareholders
- Other such criteria as the Board may deem fit from time to time

10. Dividend on Shares with Differential Voting Rights

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.

11. Policy Review and Amendments

The Policy will be reviewed periodically by the Board. The Board may, from time to time, make amendments / modify this Policy to the extent required fully / partially due to change in applicable laws or regulations or as deemed fit at the time of review.

12. Conflict of Policy

In the event of any conflict between this Policy and the Provisions contained in the Applicable Laws & Regulations, the later shall prevail. In case of any amendment(s), clarification(s), circular(s), notification(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), notification(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), notification(s) etc.

13. Disclosure

This Policy shall be published in the Annual Report and uploaded on the Company's website to meet the statutory requirements if any.

14. Disclaimer

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.

15. Dividend on Preference Shares

Preference shares shall be entitled to and paid dividend at a fixed rate as per the terms of issue and shall stand in priority to equity shareholders for payment of dividend. In case of Cumulative Preference shares, if the Company does not have distributable profits for any financial year or the Company is not able to pay the dividend, the dividend shall be accumulated and be paid later in accordance with the terms of issue and subject to the provisions of the Companies Act, 2013.

The parameters mentioned above relating to Dividend on Equity Shares shall not apply to determination and declaration of dividend on Preference Shares issued by the Company since the same will be as per the terms of issue of such Preference Shares.

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