

# PUDUMJEE PAPER PRODUCTS LIMITED

## DIVIDEND DISTRIBUTION POLICY

### INTRODUCTION:

The Pudumjee Paper Products Limited ('the Company') was incorporated on 14<sup>th</sup> January, 2015 and listed its Equity Shares on BSE Limited and National Stock Exchange of India Limited on 30<sup>th</sup> March, 2016 and since the Financial Year 2015-16 the Company returns part of surplus cash to its Shareholders through regular Annual/Interim Dividends.

Pursuant to Regulations 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandatorily requires that every top 1000 Listed Companies (by market capitalisation) needs to disclose a Dividend Distribution Policy ('Policy') in the Annual Report and on the Website of the Company.

The Company has framed the said policy voluntarily to provide a broad Dividend Distribution framework to the Shareholders of the Company, which will be effective from the date of adoption of the same by the Board of Directors of the Company ('the Board').

### FACTORS FOR RECOMMENDATION/DECLARATION OF DIVIDEND:

The Board of Directors of the Company shall consider the below mentioned Internal & External Factors (which are illustrative and not exhaustive) while taking a decision for recommendation / declaration of Dividend to Shareholders.

#### A) Internal Factors:

- Net Profit (excluding Comprehensive Income) of the Company during the relevant year;
- Past Dividend trends;
- Obligations towards the creditors;
- Cash Balance and cash flow position
- Current and Future Funding needs for Capital expenditure for new project, Business expansion, diversification etc. and
- Any other factors and circumstances which can have possible material financial implications on the Company, which in the opinion of the Board, require retention of profits.

#### B) External Factors:

- General Economic and Market conditions;
- Industry outlook (domestic as also global) for business in which Company operates;
- Government Regulations;
- Financing Costs and Taxation and
- Any other factors and circumstances which can have possible material financial implications on the Company, which in the opinion of the Board, require retention of profits.

The Board may ordinarily endeavour to quantum dividend at around 10% of Profit After Tax (excluding comprehensive income) or 25% of Paid up share capital of the Company whichever is more.

### UTILISATION OF RETAINED EARNINGS:

The Company will utilise its retained earnings for Strategic and long term plans; growth plans, capital expenditure, working capital requirements, loan repayment, investment, other business requirements of the Company or any other requirements which the Board of Directors of the Company may deem fit.

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

Subject to the provisions of this policy, the Board of Directors of the Company in its absolute discretion decide not to recommend/declare any dividend for the financial year, owing to the inadequacy of Net Profit earned during the financial year, inadequacy of cash flow & cash balance, adverse market conditions & business uncertainty, future capital expenditure, which are partly/fully funded by the Company through its internal accruals etc., which do not warrant distribution of profit.

Even under such circumstances, the Board of Directors of the Company may, recommend/declare a Dividend out of the Company's free reserves at their discretion, subject to applicable provisions of the Companies Act, 2013 and rules made thereunder. The Board of Directors of the Company may recommend/declare Interim/Special/Annual Dividend as may be decided from time to time.

**CLASS OF SHARES:**

Presently, the Company has only one class of Equity shares. In future, if the Company proposed to issues other class of shares, this Dividend Distribution Policy shall be accordingly modified, if necessary, to cover such other class of shares.

**DISCLOSURE:**

This Policy shall be disclosed on the website of the Company and information of the same shall be provided in the Annual Report of the Company.

In case, the Board of Directors of the Company, at any time, proposes to recommend / declare Dividend(s) based on the basis of parameters other than those mentioned in this policy, then it shall disclose such changes alongwith the rationale therefor on the Company's website and in the Annual Report.

**REVIEW:**

The Board of Directors of the Company will review this policy periodically and consider modifying, amending, deleting any of the provision of this Policy, as may be deemed fit by them.

**DISCLAIMER:**

This Policy neither solicit investment in the Company's Equity Share, nor purports to provide any kind of assurance to Shareholders of any guaranteed returns (in any form), for investments in the Company's Equity Shares.