



## DIVIDEND DISTRIBUTION POLICY

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### Statutory Requirements

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI vide its notification dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribed that the dividend distribution policy shall include the following parameters:

- a the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b the financial parameters that shall be considered while declaring dividend;
- c internal and external factors that shall be considered for declaration of dividend;
- d policy as to how the retained earnings shall be utilized; and
- e parameters that shall be adopted with regard to various classes of shares

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

### Parameters to be considered while recommending/declaring dividend

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors though these will be only considered as guiding principles for the Board:

#### Financial/Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves
- 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
- Crystallization of contingent liabilities of the Company
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.



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### External Factors:

- Economic environment, both domestic and global.
- Unfavourable 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
- Any unexpected change in the economy like any pandemic/ epidemic, etc

### **Policy**

- The financial strategy of the Company, which encompasses the dividend policy, is primarily aimed at enhancement of long-term shareholder value and sustainable growth, in a way that the shareholders can participate equitably in the Company's growth, while maintaining a strong financial foundation for the Company.
- The dividend distribution will be subject to internal and external factors, as mentioned above, which in the opinion of the Board, require retention of profits.
- The Board shall endeavour though not obliged to ensure that the dividend amount in every financial year will be stable and steady. Subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout of around 10% of profit after tax on standalone financials, to the extent possible.
- Final dividend will be recommended by the Board for approval of the shareholders in a general meeting, while interim dividend, if any, may be declared by the Board. The Company currently have only one class of shares, i.e. equity shares.

### **Disclosures**

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at [www.tastybite.co.in](http://www.tastybite.co.in).

### **Policy review and amendments**

The Policy will be reviewed periodically by the Board. This policy has been adopted by the Board of Directors of the Company at its meeting held on May 15, 2020, being the effective date of this Policy.



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### Disclaimer

- a The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way 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 circumstances so warrant.
- b Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.