

DIVIDEND DISTRIBUTION POLICY

(As applicable from 24th June, 2021)

1. Background, Scope, Purpose and Effective Date

The Securities Exchange Board of India (SEBI) on 2nd September, 2015 had notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be effective from 1st December, 2015.

On 5th May, 2021, SEBI notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, to be effective from 6th May, 2021 amending the Regulation 43A of the Listing Regulations, requiring top one thousand listed companies (based on market capitalization of every financial year) to formulate dividend distribution policy which shall be disclosed on their website and web-link thereof shall be provided in their Annual Reports.

Maithan Alloys Ltd. (the “Company”) being one of the top one thousand listed company based on market capitalization as on 31st March, 2021 is required to place its dividend distribution policy on its website. Therefore, considering the above and recognising the need to lay down a broad framework for deciding the matters pertaining to distribution of dividend and/or retaining the profits of the Company, the Board of the Company has laid down and adopted this policy at its meeting held on 24th June, 2021, to be applicable with immediate effect.

2. Definitions

- 2.1. **“Board”** shall mean Board of Directors of Maithan Alloys Ltd.
- 2.2. **“Company”** shall mean Maithan Alloys Ltd.
- 2.3. **“Dividend”** shall mean “Dividend” as defined under Section 2(35) of the Companies Act, 2013.
- 2.4. **“Policy”** means Dividend Distribution Policy.
- 2.5. **“Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the Securities Exchange Board of India, as amended, from time to time.
- 2.6. Words and expression used and not defined in this Policy, but defined in the Companies Act, 2013 (as amended, from time to time) shall have the meanings respectively assigned to them in the Companies Act, 2013. Words

and expression used and not defined in this Policy or under the Companies Act, 2013 but defined under the Regulations shall have the meanings respectively assigned to them in the Regulations.

3. Implementation and Applicability of the Policy

The Board shall be solely responsible for the implementation of the Policy and it shall apply to the Company, its shareholders/members and all other concerns.

4. Policy on Dividend for Equity Shares of the Company

4.1. Circumstances under which the shareholders may or may not expect dividend:

- a) The Company shall declare dividend only on the recommendation of the Board and the Board shall be sole authority to declare any dividend (being interim dividend) and/or recommend to the Members /Shareholders for declaration of any dividend by the Company.
- b) If the Board does not recommend or declare any dividend, the Company in general meeting cannot consider or approve any dividend for payment.
- c) The dividend will generally be recommended or declared by the Board once for every financial year, in such manner and at such time as may be permitted by the Companies Act, 2013.
- d) The Board may declare or recommend any dividend, irrespective of whether the Company has earned profit in that financial year.

4.2. The parameters that shall be considered while declaring dividend:

- a) The Board shall recommend or declare the dividend only after considering the recommendation of executive director(s).
- b) Except under extraordinary circumstances, the Board shall strive to declare a minimum dividend of 60% of face value of equity share of the Company.
- c) The Board shall consider the financial performance of the Company and any one or more the following financial parameters before recommending or declaring the dividend:
 - Operating cash flow of the Company;
 - Consolidated net operating profit after tax;
 - Working capital requirements of the Company and its subsidiaries;

- Capital expenditure requirements of the Company and its subsidiaries;
- Resources required to fund acquisitions and / or new businesses
Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend payouts;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution; and
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

d) The Board shall also consider any one or more of the following internal and external factors before recommending or declaring any dividend.

Internal factors :-

- Growth rate of the Company;
- The Company's liquidity position and future cash flow needs;
- Long term Investments requirements;
- Earnings Stability;
- Accumulated Reserves.

External factors :-

- Economic environment;
- Cost of external financing;
- Industry outlook for the future years;
- Changes in the Government policies & regulatory provisions.

However, the Board may consider such other relevant financial parameters or internal/external factors that the Board may deem fit to consider before declaring or recommending the dividend.

5. Policy of utilisation of Retained Earnings

Retained earnings are the amount of net income left over for the business after it has paid out dividends to its shareholders.

The Retained Earnings may be utilised for any one or more of the following purposes:-

- Manufacturing operations of the Company.
- Trading activities of raw materials and/or finished products.

- Acquisition of units of mutual fund(s) or shares/securities of other body corporate(s).
- Distribution among the shareholders in the form of dividend(s).
- Expansion of business operations of the Company.
- To carry out Merger(s), Acquisition(s) or Takeover(s).
- Investment in new business or additional investment in existing business
- Buy-Back of shares
- Issue of Bonus shares
- Repayment of outstanding loan (debt).
- To peruse any business provided in Object clause (being Clause III) of the Memorandum of Association of the Company
- Any other mode of utilisation permitted in the Companies Act, 2013 or as may be deemed fit and proper by the Board.

6. Policy on Dividend for Other Classes of Shares of the Company

The Policy shall apply only to determination or declaration of dividend on equity shares of the Company.

The determination and declaration of dividend on other classes of shares, if any, shall be as per the terms of issue of such other classes of shares that may be approved by the shareholders.

7. Manner of Dividend Payout

The manner of declaration and payment of dividend will be as per the laws and regulations applicable to the Company.

8. Disclosure on Deviation

Declaration of dividend on the basis of parameters other than those stated in this Policy or resulting in amendment of any element stated in this Policy will be regarded as deviation.

Any such deviation, when deemed to be necessary in the interest of the Company, in extraordinary circumstances, shall be disclosed in the Company's Annual Report and on Company's website.

9. Disclosure of Policy

The Policy shall be disclosed on the Company's website and weblink thereof shall be provided in Annual Report of the Company.



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10. Policy Review and Amendments

In any circumstances where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will prevail over this Policy.

The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the prevailing law and must be approved either by the Board or in the manner as may be decided by the Board.

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