

ALLSEC TECHNOLOGIES LIMITED

DIVIDEND DISTRIBUTION POLICY

The equity shares of Allsec Technologies Limited (the ‘company’) are listed on BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”). The company does not have more than 1 class of shares listed on the Stock Exchanges. This policy applies to the distribution of dividend by Allsec Technologies Limited (the “Company”) in accordance with provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and other legislations governing dividends and the Articles of Association of the company, as in force and as amended from time to time.

BACKGROUND

SEBI has extended the provisions of Regulation 43A in Listing Regulations to top one thousand listed companies. It requires that the top one thousand 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.

OBJECTIVE

The company’s management seeks to optimize shareholder return through various means including dividends, share buybacks and long term capital appreciation. The company aims to strike the right balance between the quantum of profits returned to shareholders and that retained in the business for various purposes. The Board of Directors (“Board”) will refer this policy while declaring / recommending dividend on behalf of the company. By virtue of this policy, the company would endeavour to maintain a consistent and measured approach to dividend pay-out.

GUIDELINES

The Board may declare interim dividend and / or recommend final dividend, payable to the shareholders of the company subject to applicable laws. In doing so, the Board would take various financial parameters and factors (both internal and external) into consideration including:

- Current and historic profitability, earning stability and growth;
- Free cash flow position;
- Accumulated reserves;
- Current and future leverage levels;
- Cost and Other constraints (if any) of external financing;
- Alternate usage of cash, e.g. capital expenditure, growth, debt repayment etc., with potential to create greater value for shareholders;
- Providing for unforeseen events and contingencies;
- Tax environment, Applicable taxes including tax on dividend;
- Business cycles, Economic environment and Industry outlook; and
- Extant Government policies, industry specific rulings & regulatory provisions and subsequent changes in the same.

The Board as may deem fit, may declare an interim dividend one or more times in a financial year in line with this policy. This would be in order to supplement the annual dividend or in exceptional situations. The Board of Directors of the company may recommend the payment of final dividend to the shareholders in an Annual General Meeting.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, Listing Regulations and other legislations governing dividends and the Articles of Association of the company, as in force and as amended from time to time.

DISCLOSURES

This Policy shall be uploaded on the company's website for public information and the web link of the same shall be provided in the Annual Report of the company.

AMENDMENTS AND UPDATES

The Key Management Personnel (KMP) or the person authorized by the Board may review this Policy from time to time. Any material changes to this Policy will need prior approval of the Board. In case of any inconsistency between the terms of this Policy and applicable law, the latter shall prevail.

DISCLAIMER

The Policy does not constitute a commitment regarding future dividends of the company, but only represents a general guidance regarding payment of dividend. The Policy does not in any way restrict right of the Board to use its discretion in the recommendation of the dividend to be distributed considering various factors mentioned in the Policy. Further, subject to the provisions of applicable laws, the Board reserves the right to depart from the policy as and when circumstances so warrant

APPROVED BY THE AUDIT COMMITTEE AND BOARD OF DIRECTORS OF ALLSEC TECHNOLOGIES LIMITED ON JULY 19, 2021