



CIN: U74101UP2011PLC047839

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

This Dividend Distribution Policy ("Policy") has been formulated by the Board of Directors ("Board") of Abacus Lifestyle Brands Limited ("Company") in accordance with the provisions of the Companies Act, 2013, Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), wherever applicable, and other applicable laws, rules, regulations, circulars and guidelines as amended from time to time.

This Policy aims to establish broad parameters to be considered by the Board while recommending or declaring dividends and seeks to strike an appropriate balance between rewarding shareholders and retaining sufficient earnings for future growth and business requirements.

2. OBJECTIVE

The objective of this Policy is to provide a transparent and consistent framework for the declaration and payment of dividends by the Company while ensuring an appropriate balance between maximizing shareholder returns and meeting the Company's long-term financial and strategic requirements. The Policy lays down the key financial, operational and strategic parameters that the Board of Directors shall consider while declaring or recommending dividends, ensures compliance with all applicable statutory and regulatory requirements, and promotes fairness, consistency, sustainability and predictability in the Company's dividend distribution practices.

3. DEFINITIONS

Unless the context otherwise requires:

- a. **Act** means the Companies Act, 2013 and the rules made thereunder, including any statutory modification or re-enactment thereof.
- b. **Applicable Laws** means the Companies Act, 2013, SEBI Listing Regulations, circulars issued thereunder and all other applicable laws, regulations, notifications and guidelines governing declaration and payment of dividends.
- c. **Board** means the Board of Directors of the Company.
- d. **Dividend** includes Interim Dividend and Final Dividend.
- e. **Financial Year** means the period commencing on 1st April and ending on 31st March of the following calendar year.

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013, the SEBI Listing Regulations or other Applicable Laws.

4. STATUTORY FRAMEWORK

The declaration and payment of dividend by the Company shall be governed by the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Articles of Association of the Company, and all other applicable laws, rules, regulations, circulars and notifications, as amended from time to time. The Board of Directors shall ensure that any dividend is declared or recommended only out of profits available for distribution in accordance with the provisions of the Companies Act, 2013 and other Applicable Laws, after considering the financial position of the Company and all statutory requirements.

5. TYPES OF DIVIDEND

The Company may declare Final Dividend and Interim Dividend in accordance with the provisions of the Companies Act, 2013 and other Applicable Laws. The Board of Directors may recommend a Final Dividend for approval by the shareholders at the Annual General Meeting, and upon such approval, the dividend shall be paid within the time prescribed under the Applicable Laws. The Board may also declare one or more Interim Dividends during any financial year after considering, inter alia, the Company's financial performance, profitability, cash flows, liquidity position and future funding requirements. Ordinarily, the Board may consider the declaration of an Interim Dividend after the approval of the quarterly or half-yearly financial results, wherever it considers appropriate.

6. FACTORS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING DIVIDEND

While declaring or recommending dividend, the Board of Directors shall, inter alia, consider various financial, operational, strategic and external factors to ensure that the decision is in the best interests of the Company and its shareholders. Such factors shall include, but not be limited to, the profit after tax available for distribution, accumulated reserves and retained earnings, cash flows and liquidity position, working capital requirements, capital expenditure plans, business expansion and future growth opportunities, funding requirements for acquisitions and strategic investments, debt servicing obligations, the cost of raising additional capital, contingent liabilities, consolidated financial performance, and any material event affecting the financial position of the Company.

The Company shall consider various internal financial factors, including the profits earned and available for distribution during the financial year, accumulated reserves including retained earnings, and any mandatory transfer of profits to specific reserves, such as the Debenture Redemption Reserve or any other applicable statutory reserves. The Company shall also take into consideration its past dividend trends, including the rate of dividend, Earnings Per Share (EPS), and payout ratio, along with the stability and sustainability of its earnings. Other factors to be considered shall include the Company's future capital expenditure requirements, organic and inorganic growth plans, capital restructuring requirements, debt reduction, and capitalization of shares. The Company shall further assess the potential crystallization of contingent liabilities, profits earned under the Consolidated Financial Statements, cash flows, current and projected cash balances, and working capital requirements.

The Board shall also take into account prevailing macro-economic conditions, industry outlook, regulatory and taxation changes, government policies, market conditions, inflation and interest rate trends, technological developments requiring significant investments, contractual or statutory restrictions on dividend declaration, and such other internal or external factors as it may consider relevant while determining the amount and timing of dividend.

7. UTILISATION OF RETAINED EARNINGS

The Company may retain its earnings to meet its present and future business requirements and to create long-term value for its stakeholders. The retained earnings may be utilised, inter alia, for organic and inorganic business expansion, capital expenditure, strategic investments, working capital requirements, repayment or reduction of debt, buy-back of securities in accordance with Applicable Laws, issuance of bonus shares, future dividend distribution, or for any other purpose approved by the Board of Directors. In the absence of any immediate or foreseeable business requirement, the Board may, after considering the long-term financial interests of the Company, decide to distribute a larger portion of the distributable profits to the shareholders by way of dividend.

8. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND

Shareholders may not expect a dividend in the following scenarios:

- Inadequate profits or significant financial losses
- Higher-than-expected capital expenditure or strategic investments
- Adverse market conditions or economic uncertainty
- Regulatory or contractual restrictions on dividend payout

9. MANNER OF DIVIDEND PAYMENT

Dividend shall be paid through electronic clearing services (ECS), NEFT, RTGS, or any other permitted mode, directly to the bank accounts of shareholders. Where electronic payment is not feasible, dividend warrants or cheques shall be issued.

10. PARAMETERS FOR DIFFERENT CLASSES OF SHARES

Currently, the Company has only one class of equity shares.

In the event the Company issues any other class of securities in future, the Board shall determine the dividend entitlement for such securities in accordance with the terms of issue and Applicable Laws.

11.DISCLOSURE

This Policy shall be disclosed in accordance with the requirements of the SEBI Listing Regulations and shall be hosted on the website of the Company, if applicable.

12.REVIEW AND AMENDMENT

The Board may review, modify, amend or replace this Policy at any time to ensure continued compliance with Applicable Laws and to reflect changes in the Company's business environment. Any amendment in the Applicable Laws shall automatically apply to this Policy to the extent of such amendment.

**On and behalf of the Board of Directors
For Abacus Lifestyle Brands Limited**



Sunit Kumar Mishra
Managing Director
DIN: 05124540