PAPADMALJI AGRO FOODS LIMITED

DIVIDEND DISTRIBUTION POLICY

Version	Summary of Changes	Board Approval	Date of Release
Version 1	Initial	15.10.2025	15.10.2025

1. Title

This Policy shall be called 'Dividend Distribution Policy'.

2. Commencement

This Policy shall come into force with effect from listing of the Company on Recognized Stock Exchange(s)

3. Objective

3.1 This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

a. The Company shall make appropriate disclosures as required under the SEBI Listing Regulations.

4. Definitions

4.1 "Board of Director" or "Board" means the Board of Directors of Papadmalji Agro Foods Limited, as constituted from time to time.

4.2 "Company" means Papadmalji Agro Foods Limited

4.3 "Policy" means this policy on Dividend Distribution as amended from time to time.

4.4 "SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

4.5 "Financial year" shall mean the period starting from 1st day of April and ending on 31st day of March every year.

5. Declaration of Dividend

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.

6. Parameters for Dividend Payout

6.1 The circumstances under which the shareholders may or may not expect dividend:

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

i) Prospective growth opportunities/threats/concerns of the Company;
ii) Inadequacy or absence of profits;
iii) Higher working capital requirements for business operations of the Company.

6.2 Financial Parameters including Internal Factors that shall be considered while declaration of dividend:
The financial parameters which would be considered while declaration of dividend by the Board are as follows:

i) Profits of the Company;

ii) Past dividend pattern;

iii) Major capital expenditure to be incurred by the Company;

iv) Cash flow requirements of the Company;

v) Debt-equity ratio of the Company;

vi) Cost of borrowing of the Company, keeping in view the growth opportunities;

vii) Debt obligations of the Company;

viii) Investments in new business;

ix) Provisioning for financial implications arising out of unforeseen events and/or contingencies;

x) Reputation of the Company;

xi) Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

6.3 External Factors that shall be considered while declaration of dividend:
Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

i) Regulatory requirements;

ii) Economic environment;

iii) Political/geographical situations;

iv) Inflation rate;

v) Industry Outlook for future years.

6.4 Utilization of Retained Earnings:

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

i. Capital expenditure for working capital;

ii. Organic and/or inorganic growth;

iii. Investment in new business(es);

iv. Additional investment in existing business(es);

v. Declaration of dividend;

vi. Capitalization of shares;

vii. Buy back of shares;

viii. General corporate purposes, including contingencies;

ix. Any other permitted usage as per the Companies Act, 2013.

6.5 Parameters with regard to various classes of shares:

Presently, the issued share capital of the Company comprises of only one class of equity shares of Rs.10 each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

6.6. Category of Dividends

The Act provides for two forms of Dividend - Final & Interim. The Board shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board shall have the absolute power to declare interim Dividend during the financial year, as and when they consider it fit.

Final Dividend - The final Dividend is paid once for the financial year after the annual accounts is prepared. The Board of the Company has the power to recommend the payment of final Dividend to the shareholders in a general meeting. The declaration of final Dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Interim Dividend - This form of Dividend can be declared by the Board one or more times in a financial year as may be deemed fit by it. The Board of the Company would declare an interim Dividend, as and when considered appropriate, in line with this Policy. Normally, the Board could consider declaring an interim Dividend after finalization of quarterly (or half yearly) financial accounts.

7. Disclosures

The Policy shall be disclosed on the website of the Company

8. Disclaimer

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

9. Amendments

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

Padmalji Agro Foods Ltd. Bikaner