



VINIR Engineering Limited
102-104, Bommasandra Industrial Area,
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DIVIDEND DISTRIBUTION POLICY



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1. BACKGROUND AND APPLICABILITY:

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 makes it mandatory for the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed on the website of the Company and a weblink will be provided in their annual reports.

The Board will have regard to this policy while declaring / recommending dividends on behalf of the Company. Through this Policy, the Company would strive to maintain a consistent approach to dividend pay-out plans. The Policy, as approved by the Board on December 21, 2024 shall be applicable to the Company with effect from December 21, 2024.

2. DEFINITIONS:

- a) “**Act**” shall mean the Companies Act, 2013 and rules made thereunder (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- b) “**Board**” shall mean the Board of Directors of the Company.
- c) “**Company**” means “**Vinir Engineering Limited**”.
- d) “**Dividend**” shall have the meaning as defined under Section 2(35) of the Act and includes any interim dividend.
- e) “**Policy**” means Dividend Distribution Policy, as amended from time to time;
- f) “**SEBI Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.

3. PREAMBLE:

Dividend is the payment made by a Company to its shareholders, in the form of distribution of its profits. The profits earned by the Company can either be retained in business or utilized for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The Policy establishes the principles to ascertain amounts that can be distributed to shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. It lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/declaration of dividend to its shareholders.



A Green Forging Company

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4. CATEGORY OF DIVIDENDS

The Companies Act, 2013 provides for two forms of Dividend -Interim Dividend & Final Dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

i. Final Dividend

The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in Annual General Meeting, which shall be paid once for the financial year after the annual accounts are prepared. The declaration and payment of such Final dividend shall be subject to the approval of shareholders of the Company and shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

ii. Interim Dividend

The Board of Directors of the Company, in accordance with Article of Association of the Company and the applicable provisions of Companies Act and rules made thereunder, can declare an interim dividend during the any current financial year, as and when considered appropriate, in line with this Policy.

5. DECLARATION AND PAYMENT OF DIVIDEND

The Dividend shall be declared or paid as per the provisions of the Companies Act, 2013.

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may expect dividend only if the Company is having adequate profits after complying with all other statutory requirements under the Applicable Laws. The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Some conceivable circumstances under which the shareholders of the Company may not expect dividend are:

- (a) In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- (b) In the event of higher working capital requirement for business operations or otherwise.
- (c) In the event of inadequacy of cash flow available for distribution.
- (d) In the event of inadequacy or absence of profits.



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- (e) whenever the Company undertakes or proposes to make any decision with regard to any acquisition(s), amalgamation(s), merger, joint venture(s), new product(s) launch which require significant capital outflow
- (f) whenever the Company proposes to utilize surplus cash for buy- back of securities or setting off of previous year losses or losses of its subsidiary/ies
- (g) whenever declaration of dividend is prohibited by any regulatory body
- (h) Any Adverse market conditions and business uncertainty
- (i) Any change in the government regulations
- (j) Any other extra ordinary circumstances

7. THE FINANCIAL / INTERNAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The financial/internal factors which shall be considered by the Board of Directors while recommending/ declaring dividend to the shareholders:

- a) Profitable growth of the Company.
- b) Earning stability and outlook.
- c) Past Dividend pattern/trends.
- d) Cash flow position of the Company.
- e) Capital expenditure to be incurred by the Company.
- f) Accumulated reserves.
- g) Statutory requirements like transfer to statutory reserve fund.
- h) Liquidity position of the company including its working capital requirements and debt servicing obligations.
- i) Present and future requirements of the existing business
- j) Costs of borrowing of the Company, keeping in view the growth opportunities.
- k) Funds required to service any outstanding loans.
- l) Liquidity and Return Ratios.
- m) Provisioning for financial implications arising out of unforeseen events and/or contingencies.
- n) Investments in new line(s) of business;
- o) Additional investment in subsidiaries, joint ventures and associates of the Company.
- p) Corporate actions including mergers/demergers, acquisitions, expansion/modernization of existing businesses/brands
- q) Up gradation of/ Investment in technology and physical infrastructure and Expenditure on Research & Development of existing and new product.
- r) Restrictions/covenants if any, contained in any lender agreement or any other arrangements.
- s) Any other relevant factors as deemed fit by the Board of Directors



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8. THE EXTERNAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The external factors which shall be considered by the Board of Directors while recommending/ declaring dividend to the shareholders:

1. Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients or events in world economy which could reasonably have impact on the Indian economy;
2. Any political, tax and regulatory changes in the geographies in which the Company operates;
3. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
4. Any changes in the competitive environment requiring significant investment.
5. Industry outlook.
6. Technological changes necessitating significant investments in the businesses
7. Changes in the Government policies, industry specific rulings and regulatory provisions significantly affecting the business.
8. Global conditions
9. Inflation Rate.
10. Shareholders expectations including individual shareholders.
11. Any other relevant factors which have a significant influence/ impact on the Company's operations.

9. MANNER OF UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilize retained earnings in a manner which is beneficial to the interests of the Company and also its shareholders. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

10. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Dividend would continue to be declared on the face value of the Equity Shares and on per share basis of the Company. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable laws and will be determined, if and when the Company decides to issue other classes of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

11. REVIEW AND AMENDMENT

This Policy will be reviewed periodically by the Board, from time to time and the Board can amend this Policy, as and when deemed fit.

12. DISCLOSURE OF THE POLICY

The Policy shall be disclosed on the website of the Company and the web-link of the same shall be provided in their annual reports.