



INDO-MIM LIMITED

Regd office: 45(P), KIADB Industrial Area, Hoskote, Bangalore 562114

DIVIDEND DISTRIBUTION POLICY

(v1 / Feb 05, 2025)

PREAMBLE

The Securities and Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, introduced Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed in their annual reports and on their websites.

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed thereunder as may be in force for the time being ("**Companies Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**").

DEFINITIONS

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the Listing Regulations.

OBJECT

This policy sets out the parameters and circumstances that will be considered by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

For INDO-MIM Limited


Company Secretary

A. THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

The Board of Directors of the Company may abstain from declaring any dividend / lower percentage of dividend in a particular financial year, if they are of the view that the retained earnings / funds through internal accruals can be better utilised for the following purposes:

- a. Expansion / modernisation of the existing business operations,
- b. Seeking inorganic growth through acquisitions opportunities, within and outside India
- c. Investment in Subsidiary and Associate Companies,
- d. Embark upon new product / line of business,
- e. Buyback of shares etc.
- f. Such other purposes, as the Board may think appropriate from time to time to maintain / enhance its competitive advantage.

B. PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

Dividend will generally be paid once a year. Dividends for any financial year will generally be paid out of net profit earned during the said year. However, in special circumstances which include maintaining dividend rate, the Board of Directors may at its discretion, declare interim dividends and may also declare dividend out of retained earnings.

The Company shall endeavour to pay a dividend **upto 25%** of the net profit for the financial year. Such net profit shall be computed in accordance with section 123 of the Companies Act, 2013 and Rules thereof. Further any exceptional item of income or expenses or unforeseen financial disruptions which could impact the profitability of the Company shall not be considered for the said purpose.

The decision regarding dividend shall be taken only by the Board of Directors at its Meeting or by a Committee of the Board of Directors as authorised for the purpose in accordance with provision of Companies Act and or Listing Regulations as amended from time to time. Final dividend will be recommended by the Board (includes Committee as referred above, for the purpose of this policy) and shall be

paid only after the approval of shareholders at Annual General Meeting (AGM) of the Company. Save as otherwise provided in the applicable law, Shareholder approval is not required for payment of interim dividend.

The Board of Directors of the Company shall consider the following parameters while declaring dividend or recommending dividend to shareholders:

C. STATUTORY AND REGULATORY REQUIREMENTS-

The Company shall declare dividend only after ensuring compliance with the provisions of Companies Act, 2013, Listing Regulations, terms and conditions containing in the loan agreements executed by the Company and other applicable provisions of statute and contracts if any.

D. INTERNAL AND FINANCIAL PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

The Board shall consider following additional factors:

1. Capital allocation plans including:
 - a. Expected cash requirements of the Company towards working capital, capital expenditure etc.;
 - b. Investments required towards execution of the Company's strategy;
 - c. Funds required for any acquisitions; and
 - d. Any share buy-back plans.
2. Minimum cash required to meet contingencies or unforeseen events;
3. Funds required to service any outstanding loans;
4. Liquidity and return ratios;
5. Financial commitments w.r.t. the outstanding borrowings and interest thereon.
6. Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
7. Past dividend trend of the Company and the Industry.
8. Cost of borrowings.
9. Other Corporate Action options (For example bonus issue, buy back etc).
10. Any other significant developments that require cash investments.
11. Any other relevant or material factor as may be deemed fit by the Board.
12. Receipt of Dividend from subsidiary companies.

For INDO-MIM Limited


Company Secretary

E. EXTERNAL FACTORS

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to 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;
2. Applicable taxes for company and recipient shareholders.
3. Any political, tax and regulatory changes in the geographies in which the Company operates;
4. 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;
5. Any changes in the competitive environment requiring significant investment.

F. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The consolidated profits earned by the Company can both be retained in the business and used for various purposes in line with the objects of the Company as decided by the Board from time to time.

G. PROVISIONS REGARDING VARIOUS CLASSES OF SHARES

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares with face value of Rs 1/- each.

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to as mentioned above or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

The listed entities other than the Top 1000 listed entities based on market capitalisation may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

For INDO-MIM Limited


Company Secretary

REVIEW

This policy will be reviewed and amended as and when required by the Board of Directors of the company.

DISCLOSURE OF THE POLICY

This policy will be uploaded on the website of the Company.

LIMITATION, AMENDMENT AND EFFECTIVE DATE

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, as amended from time, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

The policy is effective from the date of its approval by the Board of Directors and will be in force till replaced, modified or cancelled by Board of Directors.

For INDO-MIM Limited


Company Secretary