



MISHTANN FOODS LIMITED

DIVIDEND DISTRIBUTION POLICY

BACKGROUND AND APPLICABILITY

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) require top 1000 listed companies by market capitalisation to disclose a Dividend Distribution Policy in the annual report and on the corporate website of the company.

The Board of Directors (“**Board**”) of Mishtann Foods Limited (“**Company**”) has adopted the Dividend Distribution Policy (“**Policy**”) to comply with these requirements.

OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of the Company before declaring or recommending dividend. The Company would endeavour to pay sustainable dividend keeping in view the Company’s Policy of meeting the long-term growth objectives from internal cash accruals.

PHILOSOPHY

The Company is committed to driving superior value creation for all its stakeholders. The Company believes that driving growth creates maximum shareholder value. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the Company.

DIVIDEND

Dividend means distribution of profits, earned in the current year or earlier years, by the Company, to its shareholders in proportion to the amount paid-up on shares held by them. Under Companies Act, 2013 (“**Act**”), a company can either declare dividend during the year, which is called interim dividend, or can declare dividend after the end of financial year, which is called final dividend.

Interim dividend can be declared by the Board of Directors during the financial year by passing a resolution at its meeting. Final dividend is recommended by the Board of Directors for approval by the shareholders at the annual general meeting. This Policy applies to declaration of interim dividend and recommendation of final dividend by the Board.

The dividend for any financial year shall normally be paid:

- out of the profits for the year (arrived at after providing for depreciation in accordance with law and transferring such amount to reserves as may be considered appropriate by the Board of Directors of the Company); and/or
- out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Act and Regulations. The Board, while determining the dividend to be declared or recommended shall take into consideration the recommendations of executive management of the Company and the future business growth / expansion and strategic plans apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board in the best interest of the Company.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

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

- Profits earned during the financial year Retained Earnings
- Earnings outlook for next three years
- Expected future capital / liquidity requirements
- History of dividends distributed by the Company
- Company's liquidity position and future cash flows needs
- Cost and availability of alternative sources of financing
- Any other relevant material facts and events

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

- Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in the geographies in which the Company operates
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly
- affect the businesses in which the Company is engaged in Technological changes which necessitate significant new investments in any of
- the businesses in which the Company is engaged in.
- Any other relevant factors that the Board of Directors may deem fit.

UTILISATION OF RETAINED EARNINGS

The Company shall endeavour to utilise the retained earnings in a manner which shall be 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 the Company.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. 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 regulations and will be determined, if and when the Company decides to issue other classes of shares.

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.

REVIEW

The Board will review the Policy periodically. If the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the its website and in the Annual Report.

DISCLOSURE OF POLICY

The Policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.

DISCLAIMER

This Policy shall not be construed as a solicitation for investments in the Company's securities and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.
