



Vaibhav Global Limited

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Dividend Distribution Policy

INTRODUCTION

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall have to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

As per Market capitalization list released by Stock Exchange for 31st March, 2020, the Company is in the list of top five hundred Companies. Hence, the Board of Directors (the “Board”) of Vaibhav Global Limited (the “Company”) in its meeting held on 27th May, 2020 has adopted this Dividend Distribution Policy (“Policy”) in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DEFINITIONS

The terms referred to in the policy will have the same meaning as defined under the Companies Act, 2013 (“the Act”) and the Rules made thereunder, and the SEBI Regulations.

OBJECTIVE

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and long-term value creation.

The objective of this Policy is to sets out the parameters and circumstances that will be taken into account 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.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Dividend for any financial year shall be paid out of the Company profits for that year. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) and/or from the free reserves in accordance with provisions of the Act and Rules/Regulations, as

applicable. The Board of Directors of a Company may declare interim dividend during any financial year in accordance with provisions of the Act and Rules/Regulations, as applicable.

Subject to the provisions of the Act/Rules/Regulations, the Company's dividend pay-out will be determined based on financial performance of the Company & its subsidiaries, available financial resources, investment requirements and taking into account optimal shareholder return. Within parameters stated in the policy, the Company would endeavor to maintain a total dividend pay-out ratio in the range of 20% to 30% of the annual consolidated free cash flow of the Company.

The Board may declare/recommend higher payout in special circumstances. The Board may amend the range, whenever considered appropriate by it, keeping in mind the given parameters. The Board may also consider past dividend history and sense of shareholders' expectations while determining the rate of dividend.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

Dividend would be declared on per share basis on the Ordinary Equity Shares of the Company. Dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date/ book closure date.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING/DECLARING DIVIDEND

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

a) Financial / Internal Factors

- Consolidated & Standalone Profit after Tax.
- Consolidated & Standalone free cash flow.
- Retained Earnings
- Liquidity position and future cash flow needs
- Capital expenditure, growth plans and Investment requirements
- Track record of dividends distributed by the Company
- Prevailing Taxation Policy or any amendments expected thereof.
- Earning stability
- Cost and availability of alternative sources of financing
- Current and future leverage i.e. liquidity and return ratios and, under exceptional circumstances, the amount of contingent liabilities or any unforeseen events
- Stipulations/ Covenants of loan agreements
- Buy Back of Shares as may be approved by Board/shareholders
- Fund requirement towards execution of the Company's strategy.
- Other significant developments that require cash investments.
- Any other relevant factors and material events

b) External Factors

- Macro-economic environment - Significant changes in macro-economic environment in which the Company is engaged in the geographies in which the Company operates.
- Regulatory changes - new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.
- Any changes in the competitive environment requiring significant investment.

UTILISATION OF RETAINED EARNING

The Company shall endeavor to utilize 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, Organic and/or Inorganic growth, for the purpose of generating higher returns for the shareholders, Dividend declaration, Issue of Bonus shares/ Buyback, General corporate purposes including contingencies, correcting capital structure, any other permitted usage as per Companies Act, 2013 and other applicable rules/ regulation for the time being enforce.

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

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review in case the Company issues different classes of shares.

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Act/Rules/Regulations, the Act/Rules/Regulations shall prevail.

AMENDMENTS

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Rules, the Regulations, etc.

Disclaimer: *This document does not solicit investments in the Company's securities. Nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.*