

FINE ORGANIC INDUSTRIES LIMITED
DIVIDEND DISTRIBUTION POLICY

1. Introduction:

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires top five hundred listed companies on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy.

Accordingly, based on the parameters prescribed by SEBI, the Company has adopted this formal “Dividend Distribution Policy”.

2. Category of Dividends:

The Board of Directors shall have the power to recommend final dividend to the equity shareholders for their approval in the Annual General Meeting of the Company. Subject to compliance with the provisions of Companies Act, 2013 including the Rules made thereunder and other relevant regulations as applicable from time to time, if any, the Board of Directors shall also have the absolute power to declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared, as and when they consider it fit in compliance with Companies Act, 2013 and other relevant regulations as applicable from time to time.

3. Parameters to be considered before recommending Dividend:

The Board of the Company shall take a decision to declare dividend after taking into account the following internal and external factors (which are illustrative and not exhaustive) such as:

Financial Parameters and Internal Factors	External Factors
<ul style="list-style-type: none">• Profitability of the Company and specifically, profits earned during the financial year as compared with previous years and Internal budgets,• Cash balance and Cash flow• Accumulated reserves/Retained Earnings• Current and future capital requirement: Business plans; Expansion plans; Corporate Restructuring plans; Additional investment in JVs / subsidiaries;• Debt Equity Ratio etc• Past Dividend Trends• Any other relevant factors and material events as may be deemed fit by the Board	<ul style="list-style-type: none">• Global/ Macro Economic Environment• Financing Cost• Applicable taxes including tax on dividend• Changes in the Government Policies, industry specific rulings & regulatory provisions• Inflation etc.

4. Circumstances under which the shareholders may not expect Dividend:

Subject to the criteria and other provisions of this policy, the Board may in its absolute discretion decide not to recommend/declare any dividend for any financial year, under following circumstances such as:

- Inadequacy of profits or whenever the Company has incurred losses;
- Proposed buy-back of securities;
- Significantly higher working capital requirements adversely impacting free cash flow;

- expansion of business, acquisitions or joint ventures requiring significant allocation of capital;
- Operation of any law in force which restricts payment of dividend in particular circumstances;
- Any restrictions and covenants contained in any agreement as may be entered with the lenders;
And
- Any other factors as may be deemed fit by the Board.

5. Manner of utilisation of retained earnings:

The retained earnings of the Company may be used in any of the following ways:

- Organic and/ or inorganic growth opportunities available to the Company,
- Research and Development of new products in order to increase market share,
- Investment in new business(es) and/or additional investment in existing business(es),
- Decision of issue of bonus shares,
- Buyback of shares,
- Capital and/ working capital expenditure,
- Any other permitted usage as per the Companies Act, 2013.

6. Parameters that shall be adopted with regard to various Classes of Shares:

The Company has issued only one class of shares viz. equity shares and hence the parameters disclosed above apply to the same. 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.

7. Amendments:

The Board may amend this Policy as and when deemed fit. Any and all provisions of this Policy shall be amended as needed due to business and economic conditions or regulatory changes or Company's growth and investment plans, from time to time.

8. Disclosures:

The policy will be available on the Company's website and the link to the policy thereto shall be provided in the Annual Report.

9. Conflict in policy:

In the event of a conflict between this policy and the existing statutory regulations, the statutory regulations shall prevail.

10. Disclaimer:

This Policy does not purport to or solicit investment in Company's securities nor this policy purports to provide any kind of assurance to Shareholders of any guaranteed returns (in any form), for investment in the Company's equity shares.
