



# **Dividend Distribution Policy of Stallion India Fluorochemicals Limited**

## **1. INTRODUCTION**

Stallion India Fluorochemicals Limited (hereinafter referred to as "the Company") acknowledges the importance of dividends as a means to provide shareholders with a return on their investment. In line with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby adopts this Dividend Distribution Policy.

## **2. PURPOSE**

The primary objective of this policy is to delineate the parameters and processes for the declaration and distribution of dividends to our shareholders. This policy aims to balance the dual objectives of appropriately rewarding shareholders through dividends while ensuring that the Company retains sufficient funds for its growth and stability.

## **3. AUTHORITY**

This policy has been framed by the Board of Directors of Stallion India Fluorochemicals Limited and is subject to annual review to incorporate changes in regulations and business dynamics.

## **4. FORMS OF DIVIDENDS**

In accordance with the Companies Act, the Company recognizes two forms of dividends:

- I. **Final Dividend:** Recommended by the Board and approved by the shareholders at the Annual General Meeting (AGM), reflecting the Company's financial performance for the year.
- II. **Interim Dividend:** Declared by the Board at their discretion during the financial year, as an advance distribution prior to finalization of the year's financial statements.



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### **5. QUANTUM OF DIVIDEND AND DISTRIBUTION**

The quantum of dividend to be distributed will be determined after thorough analysis of the following:

- I. Financial performance and profitability
- II. Future capital requirements for strategic growth initiatives and investments
- III. Cash flow situation and liquidity
- IV. Retained earnings and reserves
- V. Prevailing economic and business conditions
- VI. Any other strategic considerations deemed relevant by the Board

### **6. DECLARATION OF DIVIDEND**

Dividend distribution shall be made in compliance with applicable laws and after satisfying the following:

- I. Adequate provision for depreciation
- II. transfer to reserves as deemed fit by the Board
- III. Outstanding earnings and retained earnings

The Board may decide not to declare dividends under circumstances including, but not limited to, legal restrictions, incurred losses, covenants with lending institutions, or defaults.



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### **7. FACTORS AFFECTING DIVIDEND DECLARATION**

The declaration of dividends is influenced by various external and internal factors, including:

- I. Legal, statutory, and regulatory requirements
- II. State of the economy and nature of the industry
- III. Taxation policies
- IV. Capital market conditions
- V. Company's earnings stability and magnitude
- VI. Liquidity and internal cash requirements
- VII. Leverage and coverage ratios
- VIII. Other strategic factors that the Board may consider relevant

### **8. RETAINED EARNINGS**

The Board will carefully balance the need to provide shareholder returns with the need to retain capital to fund ongoing operations and future expansion.

### **9. PARAMETERS REGARDING DIFFERENT CLASSES OF SHARES**

Currently, the Company only has one class of shares, and it adheres to a 'one share-one vote' principle. Any future issuance of multiple share classes would be accommodated within the policy framework, adhering to applicable laws and regulations.

### **10. REVIEW AND AMENDMENT OF THE POLICY**

This policy will be periodically reviewed by the Board and amended in response to evolving business needs, legal requirements, and any other factors deemed necessary by the Board, ensuring relevance and efficacy. Any amendment to the policy would be given effect to after the Board's approval.



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### **11. DISCLOSURE**

The Dividend Distribution Policy shall be disclosed in the Company's Annual Report and on the corporate website as per regulatory requirements.

### **12. EFFECTIVE DATE**

This policy will become effective on 16<sup>th</sup> October, 2023 and will supersede any previous dividend distribution policy to the extent that they are in conflict.

### **Approval and Adoption**

This policy has been approved and adopted by the Board of Directors on 16<sup>th</sup> October, 2023.