



RAM RATNA WIRES LIMITED

Dividend Distribution Policy

(Approved on 2nd February, 2024)

1) Introduction:

The Board of Directors (the “Board”) of Ram Ratna Wires Limited (the “Company”) have adopted this Dividend Distribution Policy (the “Policy”) to assist and guide the process of dividend declaration and its pay-out in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 read with Rules made thereunder as amended from time to time.

The Policy reflects the Company’s intent to reward its shareholders by sharing a portion of its distributable profits by way of Dividend, after retaining sufficient funds for the business development and growth of the Company. Through this Policy, the Company would strive to maintain a consistent approach to dividend pay-out plans and to maintain balance between quantum of dividend declared and retaining sufficient funds/ profits in the business and the Policy shall be effective from the date of adoption by the Board of Directors of the Company.

2) Definitions:

In this Policy unless the context otherwise requires:

- i. “The Company” means Ram Ratna Wires Limited.
- ii. “Act” means the Companies Act, 2013 & Rules made thereunder, as amended from time to time.
- iii. “Board” means Board of Directors of Ram Ratna Wires Limited.
- iv. “Dividend” means Dividend as defined under the Companies Act, 2013 and includes interim dividend.
- v. “Policy” means “Dividend Distribution Policy”.
- vi. “Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Further any terms referred to in this Policy and not defined above will have the same meaning as defined under the Act and the rules made there under and the Listing Regulations.

3) Statutory Requirements:

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Act, read with applicable rules made thereunder, as may be in force for the time being and the Listing Regulations and such other applicable provisions of law and the Articles of Association of the Company as may be amended from time to time.

4) Scope:

This Policy is aimed at giving general guidance to the Board and Equity Shareholders of the Company on the dividend including interim dividend pay-out by the Company in various performance scenarios. This Policy is in no way intended to minimize or prejudice the rights of the Board and/or the Shareholders to declare dividends at the rate at which they in their absolute discretion deem necessary in the interest of the Company and its Shareholders.

5) Circumstances under which the shareholders may or may not expect dividend:

The Company has a continuous record of distributing dividend(s) to its shareholders from the past many years and can be reasonably expected to continue declaring in future as well unless the Company is not able to declare dividend due to insufficient profits or any other adverse factor(s) as may arise or due to any of the internal and external factors as mentioned under this Policy. The Board of Directors may also declare interim dividend (including special interim dividend) during a financial year as and when they consider it fit.

The Board may consider declaring dividend at a lower level, or not declare any dividend based on the following circumstances:

- i. the Company has inadequacy of profits or incurs losses for the financial year;

- ii. the Company's cash flow position and higher working capital requirement for business operations;
- iii. adverse market conditions;
- iv. where the Board intends to plough back the profits of the Company due to future growth and expansion;
- v. the Company undertakes /proposes to undertake any acquisitions or joint arrangements or mergers or significant expansion project or new product(s) launch requiring significant allocation of capital;
- vi. any other extraordinary circumstances.

The Board of Directors shall recommend / declare dividend in compliance with the Act read with Rules made thereunder and Listing Regulations as amended from time to time. The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned below.

6) Parameters / Factors to be considered before Declaration of Dividend:

Before declaration of Dividend, the Board shall consider the following parameters:

I. Financial parameters:

The Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, profitability, Operating cash flow, present and future working capital requirements, favorable Debt Equity ratio, Debt interest coverage ratio, future growth, profitability outlook, liquidity position, investment in new line(s) of business and any other relevant parameters as may be deemed fit by the Board of the Company.

II. Internal Factors:

- i) Net operating profit after tax, growth rate of past earning and growth rate of projected profits.

- ii) Investment required towards execution of business expansion, including launching of new project or new line of business, expansion of capacities of existing units etc.
- iii) Expected cash requirements towards working capital, capital expenditure.
- iv) Funds required for any acquisitions, mergers and acquisitions.
- v) Past dividend payment trends of the Company.
- vi) Funds required to repay any outstanding loans;
- vii) Additional investment in subsidiaries, joint ventures and group companies of the Company.
- viii) Any other relevant factors and / or material events as deemed fit by the Board of Directors.

III. External Factors:

- i) Sector performance and Industry trend.
- ii) Taxation and other regulatory concerns.
- iii) Market risks and economic environment.
- iv) Global conditions.
- v) Cost of external financing.
- vi) Any other relevant factors as deemed fit by the Board of Directors.

7) How the retained earnings will be utilized:

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The profit being retained in the business shall be continued to be deployed in business for meeting the operating expenses, capital expenditure, augmentation of working capital including servicing of term loan, cash outflow for business growth, future equity acquisitions and any diversification opportunities.

8) Parameters that shall be adopted with regard to various classes of shares:

Presently, the authorized, issued and paid up share capital of the Company comprises of only equity shares of face value of Rs. 5/- per share. The equity shareholders of the Company, as on the record date, shall be entitled to receive dividends. The other class of shares, if any issued later on, will be governed by the terms of the issue of such shares and as per applicable Regulations.

9) Disclosures:

The Company shall make appropriate disclosures as required under the Listing Regulations. Further, if the Board, at any time, proposes to declare dividend on the basis of criteria other than those specified in this Policy or proposes to modify any of the criteria, then it shall disclose such changes, along with the rationale for the same to the shareholders on the Company's website and by providing the web link in the Annual Report of the Company in accordance with the extant regulatory provisions.

10) Policy review and amendments:

The Policy shall be reviewed from time to time so that the Policy remains compliant with applicable legal or regulatory requirements. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under the Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions given in the Policy and the Policy shall stand amended and approved by the Board of Directors of the Company to that extent.
