



INSECTICIDES (INDIA) LIMITED

DIVIDEND DISTRIBUTION POLICY

1. Introduction

The Board of Insecticides (India) Limited has approved the policy for distribution of dividend which aspires for fairness, consistency and sustainability in distributing profits to the members of the Company in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, as amended (Listing Regulations).

2. Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder and the Listing Regulations.

3. Purpose

This policy 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.

4. The factors that will be considered while arriving at the quantum of dividend will be:

i. Internal Factors:

- a) Current year profits and future outlook in line with the development of internal and external environment;
- b) Minimum cash requirement for Operating cash flows and to meet various business contingencies;
- c) Working Capital requirements;
- d) Capital Expenditure requirements;
- e) Inorganic growth opportunities like new acquisitions or new business;
- f) Funds required to service any outstanding loans;
- g) Any other significant developments that require cash investment;
- h) Past Dividend Trends;
- i) Expectations of shareholders.

ii. External factors:

- a) Any significant changes in legal requirements, regulatory conditions, etc. and other statutory requirements, including tax laws;
- b) Any changes in the competitive environment requiring significant investment.
- c) Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model

5. The circumstances under which the shareholders may or may not expect dividend are:

- a) Cash flow is adversely affected due to working capital requirements;
 - b) Significantly high capital expenditure or fresh acquisition is anticipated, requiring more cash for the same;
 - c) Buy-back of securities, which will affect the cash flow;
 - d) The Company's profits are inadequate or it has incurred losses.
6. The Company may declare dividend out of profits of the Company for the year or earlier year or out of free reserves available with the Company.
7. Manner of dividend payment will be as under:
- a) The Company shall first declare dividend on outstanding preference shares, if any, at the rate fixed at the time of issue of such shares.
 - b) The Board will recommend dividend on equity shares and the same shall be subject to approval by the members at the annual general meeting of the Company.
 - c) The Board may declare interim dividend (s) as and when they consider it fit considering the financial position of the Company that allows the payment of such dividend. The Company shall make adequate disclosures as required under the SEBI regulations.

8. Limitation and Amendment

This policy will be subject to revision/amendment in accordance with the guidelines issued by Ministry of Corporate Affairs, SEBI or any other regulatory body. The Company may alter or modify any of the provisions of the policy. Such amended policy shall be placed before the Board for noting and necessary ratification and will come into effect immediately after such changes.

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.
