



DIVIDEND

DISTRIBUTION

POLICY

GLOBUS SPIRITS LIMITED

DIVIDEND DISTRIBUTION POLICY

Preamble

This Dividend Distribution Policy (“Policy”) has been formulated pursuant to the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time.

Objective

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend. In future, the Company would endeavor to pay sustainable dividend keeping in view the Company’s policy of meeting its short term and long-term fund requirements from internal accruals.

Circumstances under which the shareholders may or may not expect dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with all the statutory and regulatory provisions including the provisions of the Companies Act, 2013 read with rules, circulars, notifications etc., SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable and amended from time to time.

The Board may not recommend and / or declare any dividend if there is any statutory / regulatory restriction placed on the Company, including:

1. The need to conserve capital for future growth or other exigencies;
2. The profits are inadequate or the Company has reported a net loss;
3. Cash flow from operations is negative;
4. Other corporate actions, like buy-back of shares;
5. Any other circumstances that the Board deems fit.

In any of the above cases, the Board will provide the grounds for not recommending and / or declaring dividend in the Annual Report of the Company.

Parameters to be considered before recommending dividend

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

1. Financial Parameters:

- a) Profits earned during the financial year;
- b) Interim dividend, if any;
- c) Operating Cash flows;
- d) Working Capital Requirements;
- e) Capex requirements;
- f) Retained Earnings;
- g) Setting off unabsorbed losses and / or depreciation of past years, if any;
- h) Earnings outlook for next three to five years;
- i) Any other relevant factors and material events.

2. Internal Parameters:

- a) Past performance and reputation of the Company;
- b) Outlook and business expansion, diversification & growth plans;
- c) Corporate actions including restructuring, acquisition, etc.;
- d) Investments in subsidiaries, associates or otherwise;
- e) Unforeseen events / Contingent liabilities, if any.

3. External parameters:

- a) Macro-economic environment - Significant changes in macro-economic environment materially affecting the business in which the Company operates
- b) Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affects the business in which the Company operates

Utilisation of retained earnings

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders, including:

1. Expansion plans;
2. Capital expenditure requirements;
3. Diversification of business;
4. General corporate purposes including contingencies;
5. Any other purpose as may be deemed appropriate.

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

The Company has issued only one class of shares viz. equity shares. 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.

Conflict in policy

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the said regulations shall prevail.

Disclosure

Adequate disclosures pertaining to this Policy shall be made in the Annual Report and on the website of the Company as required.

Amendments

1. The Board may review and amend this Policy as and when it deems necessary.
2. 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 this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.