

PATEL RETAIL LIMITED

(FORMERLY KNOWN AS PATEL RETAIL PRIVATE LIMITED)

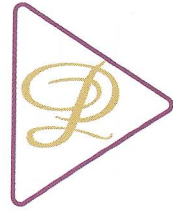
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CIN: U52100MH2007PLC171625



PATEL RETAIL LIMITED

TRUST & TOGETHERNESS

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. SCOPE AND OBJECTIVE

- 1.1 This Dividend Distribution Policy (“**Policy**”) of Patel Retail Limited (“**Company**”) has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“**Act**”) and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).
- 1.2 The objective of this Policy is to reward shareholders by returning / sharing a portion of its profits after retaining sufficient funds for the growth of the Company, thus maximizing shareholders’ value. The Company shall pursue this Policy to pay dividend, subject to circumstances and factors enlisted hereon, which shall be consistent with the performance of the Company over the years.
- 1.3 The Policy includes the following parameters:
 - (i) Circumstances under which the shareholders of the Company may or may not expect dividend;
 - (ii) Financial parameters that shall be considered while declaring dividend;
 - (iii) Internal and external factors that shall be considered for declaration of dividend;
 - (iv) Utilisation of retained earnings; and
 - (v) Parameters that may be adopted with regard to various classes of shares.

2. REGULATORY REQUIREMENTS

- 2.1 The SEBI Listing Regulations mandates top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed on the website of the listed entity and web-link is to be provided in their annual reports. Further, those listed entities which do not fall under the abovementioned category may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.
- 2.2 The Company has framed this Policy to comply with the aforesaid requirements, which has been approved by the Board of Directors (“**Board**”) on Saturday, 30th December, 2023.
- 2.3 This Policy shall come into force with effect from the date, the SEBI Listing Regulations apply to the Company.

3. PARAMETERS FOR DECLARING DIVIDEND

3.1 The Board will consider the following parameters (internal and external factors) before arriving at a decision on declaring dividend:

Internal factors

- (i) Current year's profit / inadequacy of profit;
- (ii) Financial parameters and internal factors;
- (iii) Return on invested capital;
- (iv) Company's liquidity position including its working capital requirements and debt servicing obligations;
- (v) Operating cash flow and future cash flow needs;
- (vi) Business expansion and growth;
- (vii) Cost of borrowings;
- (viii) Likelihood of crystallization of contingent liabilities;
- (ix) Capital expenditure requirements including need for replacement of capital assets, expansion and modernization or augmentation of capital asset including any major sustenance, improvement and growth proposals;
- (x) Covenants of loan agreements;
- (xi) Long term growth strategy of the Company requiring it to conserve cash;
- (xii) Any other relevant factors that the Board may deem fit to consider before declaring dividend.

External factors

- (i) Change in Government policies;
- (ii) Industry outlook and macroeconomic conditions;
- (iii) Global conditions;
- (iv) Prevailing taxation policy including material changes in the existing requirements with respect to dividend distribution;
- (v) Dividend pay-out ratio of competitors.

4. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

4.1 The shareholders of the Company may expect dividends only if the Company is having adequate profits after complying with all statutory requirements under applicable laws.

4.2 The Board shall consider the factors listed in Clause 3 above before determination of any dividend payout after analyzing prospective opportunities, threats, viability of the options of dividend pay-out or retention.

4.3 The Board of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for any proposed or ongoing or planned business expansion or other factors which may be considered by the Board. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the financial year and the Board reserves the right to depart from the Policy as and when circumstances so warrant. Given the

aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy, if any.

5. UTILISATION OF RETAINED EARNINGS

- 5.1 The Company shall endeavor to utilise the retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders in the long run.
- 5.2 The decision of utilisation of the retained earnings of the Company shall *inter-alia* be based on the following factors:
- (i) Long-term strategic growth plans;
 - (ii) Market expansion plans;
 - (iii) Replacement of capital assets;
 - (iv) Diversification of business;
 - (v) Such other criteria as the Board may deem fit from time to time.

6. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one (1) class of equity shares with equal voting rights, all the shareholders / members of the Company are entitled to receive the same amount of dividend per share. This Policy shall be suitably amended at the time of issue of any new class of shares.

7. DISCLOSURES

The Policy shall be disclosed in the annual report of the Company and on its website- <https://patelrpl.in/>.

8. POLICY REVIEW AND AMENDMENTS

This Policy has been issued with the consent of the Board and may be reviewed and amended by the Board from time to time. However, any amendments in the Companies Act, 2013 and the SEBI Listing Regulations that mandatorily apply to the Company shall be deemed to be incorporated in this Policy and shall be binding.

9. DISCLAIMER

- 9.1 The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy.
- 9.2 The Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.
