

## DIVIDEND DISTRIBUTION POLICY

### INTRODUCTION:

The Securities and Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, introduced Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred 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 in their annual reports and on their websites.

However, SEBI Committee in its meeting held on March 25, 2021, recommended to adopt Dividend Distribution Policy by top 1000 listed entities based on market capitalisation, subject to notification to be issued by SEBI Board.

Hence, the Board of Directors of Control Print Limited (the "Company") in its meeting held on April 23, 2021, voluntarily approved and adopted this Dividend Distribution Policy (the "Policy") irrespective of the criteria mentioned above, at its meeting held on April 23, 2021, being the effective date of the Policy.

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.

### DEFINITIONS:

**"Board"** shall mean Board of Directors of the Company.

**"Companies Act"** shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

**"Dividend"** includes final and interim dividend.

**"Listed Entity / Company"** shall mean Control Print Limited.

**"Policy"** means Dividend Distribution Policy.

**"Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time and as notified by the Securities and Exchange Board of India.

### PARAMETERS/ FACTORS FOR DECLARATION OF DIVIDEND:

The Company would, inter alia, consider the following financial parameters and / or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Current year profits arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder;
- Past dividend trends;
- Major capital expenditure to be incurred by the Company / Investments in new business;

- Cash flow requirements of the Company;
- Debt obligations of the Company and Cost of borrowing of the Company, keeping in view the growth opportunities;
- Any other contingency plans;
- Overall economic / regulatory environment;
- Inflation rate;
- Industry outlook and stage of business cycle for underlying businesses.

### **CONSIDERATIONS:**

The Board of Directors of the Company ("Board") recommends dividend distribution based on consistent dividend track record. The Board has the discretion to recommend a higher or lower dividend keeping in mind the business considerations and other corporate actions which result in high utilization of cash

### **THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:**

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

1. Prospective growth opportunities/threats/concerns of the Company;
2. Inadequacy or absence of profits;
3. Higher working capital requirements for business operations of the Company; and
4. if, it is of the view that it would be prudent to conserve capital.

### **UTILIZATION OF RETAINED EARNINGS:**

Retained earnings will be used for the Company's growth plans, working capital requirements, debt repayments and other contingencies and to utilise in a way which shall be beneficial to the interests of the Company and also its shareholders.

### **PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES:**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

### **REVIEW AND AMENDMENTS**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. In the event of any conflict between this Policy and the provisions contained in the applicable laws and Regulations, the said amended laws/regulations shall prevail.

*The Dividend Distribution Policy is approved in the meeting of Board of Director held on April 23, 2021.*

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