



Arman Financial Services Limited

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), as amended from time to time, top 1000 listed companies based on the market capitalization is required to frame and adopt a Dividend Distribution Policy. Accordingly, the Board of Directors of the Company (**'the Board'**) has approved this Dividend Distribution Policy of the Company at its meeting held on June 24, 2021.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

2. OBJECTIVE

The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company.

The Board of Directors of the Company has formed broad guidelines for distribution of dividend, as required by the Listing Regulations, the Board has formally framed and adopted this Dividend Distribution Policy. The policy lays down the parameters and different circumstances that need to be considered by the Board at the time of taking decision for distribution and/ or retention of profits.

Any subsequent amendment/ modification in the applicable statutes in this regard shall automatically apply to this Policy.

This policy shall be put up on the website of the Company.

3. FACTORS TO BE CONSIDERED FOR DIVIDEND PAYOUT

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of management and other various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future growth plans and investment opportunities (including investment requirements for the Company in its subsidiary)
- Adequate cash utilization opportunities
- Industry outlook



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- Liquidity and return ratios
- Minimum cash required for contingencies or unforeseen events
- Overall economic / regulatory environment
- Contingent liabilities
- Past dividend trends
- Any other contingency plans
- Buyback of shares or any such alternate profit distribution measure

4. 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.

5. GENERAL

Retained earnings will be used for Company's growth plans, expected capital adequacy / liquidity requirements, debt repayments and other contingencies. If the Board decides to deviate from this policy, the rationale for the same will be suitably disclosed.

6. REVIEW

This policy would be subject to revision / amendment on a periodic basis, as may be necessary.
