

**DIVIDEND DISTRIBUTION POLICY
OF
SICAL LOGISTICS LIMITED**

Date of approval of Board : September 03, 2024

I. INTRODUCTION

In July 2016, Securities and Exchange Board of India (“SEBI”) has inserted Regulation 43A with respect to dividend distribution policy in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), whereby the top 500 listed entities based on market capitalization (calculated as on 31st March of every financial year) are required to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites and the dividend distribution policy shall also include certain stated parameters.

Further, vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the regulator has extended the requirement of formulation of said policy to top 1000 listed entities.

Listed entity other than those covered under the mandatory requirement may formulate and disclose their dividend distribution policy on voluntary basis on their websites and provide a web link in annual report.

The Board of Directors of Sical Logistics Limited has voluntarily adopted this dividend distribution policy to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. This Policy is framed in compliance with the provisions of Listing Regulations.

II. DEFINITIONS

“Act” means the Companies Act, 2013 (or the Companies Act, 1956 to the extent applicable) and rules made thereunder;

“Board” means board of directors of the Company;

“Company” means Sical Logistics Limited;

“Policy” means this dividend distribution policy;

Words and expressions used and not defined in this Policy but defined in the Listing Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules & regulations made there-under shall have the meanings respectively assigned to them in that legislation.

III. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be future growth and long term interests of the Company as well as its shareholders. Accordingly, the Board would continue to adopt a progressive dividend policy,

ensuring the immediate as well as long term needs of the business.

IV. SCOPE

The Policy covers the following:

a. Dividend to equity shareholders of the Company:

The dividend will be distributed equally among all the equity shareholders based on their shareholding on the record date. 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.

b. Interim dividend:

Interim dividend(s), if any, shall be declared by the Board.

In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the annual general meeting (“AGM”).

c. Final dividend:

Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

V. PARAMETERS TO BE CONSIDERED

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

a. **Statutory requirements:**

The Board shall comply with the provisions of the Companies Act, 2013 and rules made there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

b. **Internal factors:**

The Board shall consider following internal factors:

1. Company’s liquidity position including its present and expected obligations.
2. Profits of the Company.

3. Present and future capital expenditure plans of the Company including organic / inorganic growth opportunities.
4. Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses.
5. Past dividend trend of the Company and the industry.
6. Cost of borrowings.
7. Other corporate action options (For eg. bonus issue, buy back of shares).
8. Any other relevant or material factor as may be deemed fit by the Board.

c. **External factors:**

The Board shall consider following external factors:

1. State of economy and capital markets.
2. Applicable taxes including dividend distribution tax.
3. Regulatory changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
4. Any other relevant or material factor as may be deemed fit by the Board.

VI. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend under certain circumstances including the following,

- i. In the event of inadequacy of profits or whenever the Company has incurred losses;
- ii. Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- iii. An impending /ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- iv. Allocation of cash required for buy-back of securities; or
- v. Any of the internal or external factors restraining the Company from considering dividend.

Dividend not to be declared out of reserves: As a rule, dividend for any particular financial year shall be recommended or paid out of the profit of that financial year and the Board shall not declare or recommend any dividend out of the reserves, except for reasons to be expressly laid down. Any decision in this regard shall be reflected in the annual report and website of the Company while declaring/ recommending dividend.

The Company shall keep its net cash positive.

The Company in certain years, in order to reward shareholders, may declare bonus dividend or capital return or combination of both in addition to set annual dividend policy.

VII. UTILIZATION OF RETAINED EARNINGS

Retained earnings shall be utilized in accordance with prevailing regulatory requirements and the objects of the Company as detailed in the memorandum of association of the Company. The decision of utilization of the retained earning shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, diversification opportunities creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and for any other specific purpose as approved by the Board of the Company.

The Company shall endeavor to utilize retained earnings in a manner that shall be beneficial to the interests of both the Company and its stakeholders.

VIII. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- a. Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- b. Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made thereunder. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of interim dividend and within 30 days from the declaration by the shareholders in the AGM in case of final dividend.

IX. CONFLICT IN POLICY

In the event of a conflict between this Policy and the existing statutory regulations, the statutory regulations will prevail.

X. REVIEW AND MODIFICATION OF THE POLICY

The Board is authorized to change/amend this Policy from time to time at its sole discretion and/or in case of any change in applicable laws and / or regulations.