



## **DREAMFOLKS SERVICES LIMITED**

### **DIVIDEND DISTRIBUTION**

### **POLICY**

***This policy was approved by the Board of Directors at their meeting held on 24<sup>th</sup>  
November, 2021***

## DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the “**Board**”) of Dreamfolks Services Limited (the “**Company**”) at its meeting held on 24.11.2021 has adopted this Dividend Distribution Policy (the “**Policy**”) and procedures with respect to dividend declared/recommended by the Company in accordance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. (the “**Listing Regulations**”).

### OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend.

The Board recognizes the need to lay down a broad framework with regard to the distribution of dividend to its shareholders and utilization of the retained earnings. The Company aims to reward shareholders through dividends and long-term capital appreciation. Through this policy, the company would ensure to strike the right balance between quantum of dividend paid and the amounts of profits retained in the business for various purposes.

### PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

Distributable surplus available as per the Companies Act and the Listing Regulations;

- The Company’s liquidity position and future cash flow needs;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations/ covenants of loan agreements;
- Applicable taxes including tax on dividend;
- Fund requirement for contingencies and unforeseen events with financial implications; and
- Any other relevant factors and material events that the Board may deem fit to consider before declaring dividend.

The Board shall consider the following external parameters while declaring or recommending dividend to shareholders:

Any macro-economic, political, tax and regulatory changes in the jurisdiction in which the Company operates which significantly affects the business;

- Payout Ratios of comparable companies – the payout ratios practiced by the other listed peers of the Company.
- Cost of external financing;
- Any other factors as deemed fit by the Board.

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

The decision regarding dividend payout is a vital decision. Thus the Board, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 (the “**Companies Act**”) and the Listing Regulations. The Board, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company, and any future plans for growth of the Company apart from other parameters set out in this Policy.

The Board may also consider recommending a lower dividend pay-out in any given financial year, after analysing the prospective opportunities and challenges or in the event of changing circumstances such as regulatory and financial environment.

## **INTERIM AND FINAL DIVIDEND**

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations

## **UTILISATION OF RETAINED EARNINGS**

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

Subject to applicable law, the Company’s retained earnings shall be utilized for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits;
- Payment of dividend;
- General corporate purposes, including contingencies;
- Issue of bonus shares; and
- Any other permissible usage as per the Companies Act, 2013.

## **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The Company has issued only one class of shares i.e. 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 law 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 Companies Act, and, or, the Listing Regulations, the Companies Act, and, or, the Listing Regulations shall prevail.

**AMENDMENTS**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable law or as deemed fit on a review.

**DISCLOSURE**

This Policy shall be uploaded on the Company's website i.e. [www.dreamfolks.in](http://www.dreamfolks.in) for public information and the web link of the same shall be provided in the Annual Report of the Company.

**DISCLAIMER**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

**POLICY REVIEW**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.