



**RATNADEEP RETAIL LIMITED**  
**DIVIDEND DISTRIBUTION POLICY**

<b>Name</b>	<b>Dividend Distribution Policy</b>
<b>Approval Date</b>	<b>20<sup>th</sup> June, 2026</b>
<b>Version</b>	<b>Version 1.0</b>

## DIVIDEND DISTRIBUTION POLICY

### I. DEFINITIONS

“**Applicable Laws**” shall mean the Companies Act, 2013 and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the circulars issued thereunder, as amended from time to time and such other act, rules or regulations which deal with the distribution of dividends.

“**Board**” or “**Board of Directors**” means the board of directors of the Company.

“**Companies Act**” means the Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

“**Company**” means Ratnadeep Retail Limited.

“**Dividend**” means the dividends declared and distributed by the Company to its Shareholders from time to time in the forms set out in Clause III of this Policy.

“**Financial Year**” means the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Policy**” shall mean this Dividend Distribution Policy of the Company.

“**Shareholders**” shall mean the shareholders of the Company from time to time.

Words and expressions used and not defined in this Policy but defined in the Companies Act, Listing Regulations or other Applicable Laws shall have the same meaning respectively assigned to them in those Applicable Laws.

### II. PURPOSE AND SCOPE

Regulation 43A of the Listing Regulations mandates the framing of a dividend distribution policy by the top 1,000 listed companies, based on market capitalisation.<sup>1</sup>

In view of the said requirement, the Board recognises the need to lay down a broad framework with regard to the distribution of Dividend to its Shareholders and utilisation of the retained earnings. This Policy reflects the intent of the Company to reward its Shareholders by declaring Dividend, and seeks to establish the parameters (including internal and external factors) to be considered by the Board

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<sup>1</sup> **43A.** (1) The top 1000 listed entities based on market capitalization shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

(2) The dividend distribution policy shall include the following parameters: (a) the circumstances under which the shareholders of the listed entities may or may not expect dividend; (b) the financial parameters that shall be considered while declaring dividend; (c) internal and external factors that shall be considered for declaration of dividend; (d) policy as to how the retained earnings shall be utilized; and (e) parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

(3) The listed entities other than those specified at sub-regulation (1) of this regulation may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

before declaring or recommending Dividend.

The Policy, in the interest of providing transparency to the Shareholders, sets out the circumstances and different factors for consideration by the Board at the time of deciding on distribution or retention of profits.

The Company will strive to strike the right balance between the quantum of the Dividend paid and amount of profits retained in the business for various purposes, and to maintain a consistent approach to Dividend pay-out plans. The Company recognises that dividend distribution is an important means of sharing value creation with shareholders while maintaining sufficient financial flexibility to pursue growth opportunities and long-term strategic objectives. [The Company believes that driving growth through its unique business model in the organized retail sector is the key to maintaining a balance between creating value for the Shareholders and ensuring growth of the Company.

Towards this end, the Company shall utilise its profits first towards various business requirements like expenditure to meet expansion, investment in technology infrastructure, reducing debt, maintaining optimum working capital, funds for inorganic growth opportunities and such other business requirements as may be considered appropriate by the Board from time to time. The Board shall have regard to this Policy while declaring/recommending Dividends on behalf of the Company.

The Board in its meeting held on 20<sup>th</sup> June, 2026 has approved and adopted this Policy.

The Policy shall become effective from the date of its approval by the Board.

### **III. DIVIDEND DISTRIBUTION**

Notwithstanding anything contained in this Policy, the declaration and payment of Dividend shall remain at the sole discretion of the Board and shall depend upon the financial position, capital requirements, business conditions and other relevant factors prevailing at the relevant time.

#### **(A) CATEGORIES OF DIVIDEND**

The Companies Act provides for two forms of Dividend - final and interim. The Board shall have the power to recommend a final dividend to the Shareholders for their approval in the general meeting of the Company. The Board shall have the absolute power to declare an interim dividend during the Financial Year, as and when it considers fit.

##### **Final Dividend**

The final dividend is paid once for the Financial Year after the annual accounts are prepared. The Board has the power to recommend the payment of a final dividend to the Shareholders in a general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the annual general meeting.

##### **Interim Dividend**

This form of dividend can be declared by the Board one or more times in a Financial Year as it may deem fit, in line with the Companies Act and this Policy. The Board could consider declaring an interim dividend after finalisation of quarterly (or half yearly) financial accounts.

## **(B) CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The decision regarding Dividend payout is an important decision as it determines the amount of profit to be distributed among Shareholders and amount of profit to be retained in the business. Hence, the Shareholders of the Company may expect Dividend only if the Company has adequate profits after complying with all other statutory requirements under Applicable Laws.

The Shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- (a) in case of inadequacy of profits or whenever the Company has incurred losses;
- (b) in case the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- (c) in case the Company undertakes any acquisitions or joint arrangements requiring significant allocation of capital;
- (d) in case of significantly higher working capital requirement affecting free cash flow;
- (e) in case the Company proposes to utilise surplus cash for buy-back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- (f) in case the Company is prohibited to recommend/declare a Dividend under any applicable law or by any regulatory or judicial authority.

The Board of Directors of the Company may decide not to declare or recommend a dividend for any financial year if it is of the view that it would be prudent to conserve capital for ongoing or planned business expansion, strategic investments, acquisitions, debt reduction, working capital requirements 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 year and the Board reserves the right to depart from the Policy as and when circumstances so warrant, subject to compliance with the Applicable law

## **(C) FINANCIAL AND OTHER PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND**

The Board of Directors of the Company shall consider the following financial/internal parameters while declaring or recommending Dividend to Shareholders:

- (a) Profits earned and available for distribution by the Company.
- (b) Accumulated reserves of the Company including retained earnings,
- (c) Company's liquidity position including its present and expected obligations
- (d) Expected future capital expenditure requirements of the Company including organic/inorganic growth opportunities
- (e) Long term investments proposed, capital restructuring, debt reduction, etc.

- (f) Cost of raising funds from alternate sources
- (g) Crystallisation of contingent liabilities of the Company
- (h) Profit earned under consolidated financial statements
- (i) Past dividend trends of the Company and the industry
- (j) Financial commitments of the Company with respect to the outstanding borrowings and interest thereon
- (k) Current and projected cash balances of the Company
- (l) Other corporate action options available to the Company (including bonus issue, buy-back of shares, etc.) and
- (m) Any other relevant factors and material events.
- (n) Compliance with financial covenants, borrowing arrangements and other contractual obligations of the Company
- (o) Return on capital employed, capital allocation priorities and long-term value creation objectives of the Company
- (p) Funding requirements for technology initiatives, digital transformation, sustainability initiatives and other strategic business projects and
- (q) Any other factor that the Board may consider relevant in the interests of the Company and its stakeholders.

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending Dividend to Shareholders:

- (a) **Macro-economic environment** - Significant changes in the macro-economic environment materially affecting the industry and geographies in which the Company operates;
- (b) **Regulatory changes** - Introduction of new regulatory requirements or material changes in existing taxation or regulatory regime (including dividend distribution tax), which significantly affects the Company's operations or finances;
- (c) **Technological changes** – Significant changes which necessitate new investments in any of the businesses in which the Company is engaged; and
- (d) Any other relevant factors and material events, including statutory and contractual restrictions.

#### **(D) ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS**

**Entitlement:** The Dividend shall be paid to the Shareholders entitled to receive Dividend on the record date/book closure date as per Applicable Laws.

**Timelines:** The payment of Dividend shall be made within the time prescribed under the Companies Act and other Applicable Laws, as amended from time to time. Presently, Dividend is to be paid within 30 days from the date of declaration by the Board in case of an interim dividend and within 30 days from the declaration by the Shareholders in the annual general meeting of the Company in case of a final dividend.

#### **(E) MANNER OF UTILISATION OF RETAINED EARNINGS**

The retained earnings shall be deployed in line with the objects of the Company as detailed in its memorandum of association. The retained earnings shall be utilised in a manner which is beneficial to the interests of the Company and also its Shareholders. The decision of utilisation of the retained earnings shall be based on the factors like strategic and long-term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard. In the absence of the opportunity to utilise retained earnings in any of the above options. In the absence of any significant requirement for deployment of retained earnings, the Board may consider distribution of surplus funds to shareholders in accordance with this Policy and applicable laws.

#### **(F) PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The Company has issued only one class of equity shares with equal voting rights and therefore all shareholders of the Company are entitled to receive the same amount of Dividend per equity share. Parameters for dividend payments in respect of any other class of equity shares will be as per the respective terms of issue and in accordance with the Applicable Laws and will be determined, if and when the Company decides to issue other classes of equity shares/preference shares.

### **IV. RATE/QUANTUM OF DIVIDEND**

It has always been the Company's endeavour to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business to the Shareholders in the form of a dividend. The Company does not intend to specify any minimum payout ratio and the board shall determine the quantum of dividend after considering the factors set out in this policy.

### **V. CONFLICT IN POLICY**

In the event of any conflict between this Policy and the provisions contained in the Applicable Laws, the provisions of Applicable Laws shall prevail.

### **VI. REVIEW/AMENDMENT**

The Board may, from time to time, make amendment(s) to this Policy to the extent required due to changes in Applicable Laws and/or regulations or as deemed fit on review.

### **VII. DISCLOSURE**

The Policy shall be disclosed on the website of the Company and a web-link shall also be provided in its annual report.

If the Company proposes to declare Dividend based on parameters in addition to the ones listed in this Policy or proposes to change such additional parameters or the Policy, it shall disclose such changes along with the rationale for the same in its annual report and on its website.