

PHOENIX TOWNSHIP LIMITED

DIVIDEND DISTRIBUTION POLICY

(EFFECTIVE DATE OF THE POLICY: 14TH AUGUST, 2024)

Version Control

Version	Approval date	Approved by
1	14 th August, 2024	Board of Directors

Dividend Distribution Policy

(Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors (the “Board”) of Phoenix Township Limited (the “Company”) at its meeting held on 14th August, 2024, has adopted this Dividend Distribution Policy (the “Policy”) in accordance with the provisions of the Companies Act, 2013 and rules thereunder (“Act”) and the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and shall be effective from the date of its adoption by the Board.

The Company shall declare and pay dividend in accordance with the provisions of the Act and Listing Regulations. This Policy sets out the circumstances and different factors for consideration by the Board at the time of making decisions of the distribution or retention of profits, in the interest of providing transparency to its shareholders.

I. Objective of the policy:

The objective of this Policy is to establish the parameters to be considered before declaring or recommending dividend by the Board of Directors of the Company and lay down a broad framework for decisions to be made with regard to

- a. Distribution of Dividend and
- b. Retaining profits so as to maintain a consistent approach of returning cash to shareholders and for further development of business.

The Company would endeavor to pay sustainable dividends keeping in view the Company’s policy of meeting the long-term growth objectives from internal cash accruals.

II. Category of Dividends:

The Companies Act provides for two forms of Dividend- final & interim. The Board of Directors shall have the power to recommend the final dividend to the shareholders for their approval in the general meeting of the Company.

The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

A. Final Dividend

The final dividend is paid once in a financial year after the annual accounts are prepared, based on the profits arrived as per the audited Standalone and Consolidated financial statements.

The Board of Directors of the Company has the power to recommend the payment of a Final Dividend to the shareholders in a general meeting in line with this policy.

B. Interim Dividend

Interim dividend may be declared by the Board of Directors one or more times in a financial year, in line with this policy. The Board of Directors of the Company would declare an interim dividend based on the profits arrived as per the quarterly or half-yearly financial statements.

III. The circumstances under which the shareholders may or may not expect dividend;

The decision regarding the payment of Dividend is crucial as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in business. The Company shall comply with the relevant statutory requirements that apply 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 and other parameters described in this policy.

The Dividend pay-out decision of any company depends upon certain external and internal factors.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

IV. The financial/Internal parameters that shall be considered while declaring a dividend

The Board of Directors of the Company shall consider the following parameters while declaring a dividend or recommending a dividend to shareholders.

- Profits earned during the financial year.
- Accumulated reserves, including retained earnings stability
- Present and future capital expenditure plans/working capital requirements of the Company.
- Past dividend trends
- Any share buy-back plan
- Minimum cash required for contingencies or unforeseen events;

- Any other relevant factors and material events as may be deemed fit by the board

V. External Factors

- Dividend pay-out ratios of Companies in the same industry
- Macro-economic environment – Significant changes in the macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- Capital Markets – Dividend pay-out may depend upon the capital market environment and cost of capital to raise fresh funds through alternate resources.
- Taxation Policy – The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.

VI. Utilization of Retained Earnings:

The Company shall utilize the retained earnings for making investments for future growth and expansion plans, to generate higher returns for the shareholders, or for any other specific purpose outlined in clause Ib and III above or it can be distributed to the shareholders as approved by the Board of Directors of the Company.

VII. Parameters that shall be adopted with regard to various classes of shares:

The provisions contained in this policy shall apply to all classes of shares of the Company. It may be noted that currently, the Company has only one class of shares, namely, Equity Shares.

VIII. Limitations and Amendments:

This policy is framed pursuant to the provisions of the Listing Regulations, and in compliance with provisions of the Act.

In case of any subsequent changes in the provisions of the Act or any other regulations which make any of the provisions in the policy inconsistent with the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This Policy will be reviewed periodically by the Board and amended as appropriate.