

PATANJALI FOODS LIMITED
(Formerly known as Ruchi Soya Industries Limited)

DIVIDEND DISTRIBUTION POLICY
(Approved by the Board of Directors at their meeting held on August 11, 2023)



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Effective Date: *June 09, 2020*

Modified on: August 11, 2023

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DIVIDEND DISTRIBUTION POLICY

1. Preface:

This Dividend Distribution Policy (“**Policy**”) is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) as amended from time to time. The Board of Directors (“**Board**”) of Patanjali Foods Limited (Formerly known as Ruchi Soya Industries Limited) (“**Company**”) has approved and adopted this Policy at its meeting held on June 09, 2020, which was modified on August 11, 2023. .

2. Objective:

The objective of this Policy is to lay down the broad parameters and factors that will be taken into consideration by the Board of the Company for the declaration of dividend.

3. Circumstances under which the shareholders of the Company may or may not expect dividend:

The Board will assess the Company’s financial requirements, including present and future investment opportunities and other relevant factors, and declare dividend.

The dividend for any financial year shall normally be paid out of the Company’s profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 (“**the Act**”). If circumstances require, the Board of the Company may also declare dividends out of accumulated profits of any previous financial year(s) or out of reserves in accordance with the provisions of the Act.

4. Broad factors to be considered before recommending dividend:

Internal and financial parameters:

- (i) Availability of distributable surplus available as per the Act.
- (ii) Company’s liquidity position and future cash flow needs.
- (iii) Growth rate.
- (iv) Working capital requirements, capital expenditure and investment requirements.
- (v) Cost and availability of alternative sources of financing.
- (vi) Debt service.
- (vii) Stipulations/ covenants of loan agreements.
- (viii) Funds for meeting contingent liabilities, if any.

External:

- (ix) Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution.
- (x) Future uncertainties.
- (xi) Market and sectoral performance.
- (xii) Macroeconomic and business conditions in general.
- (xiii) Competitive market scenario.
- (xiv) Regulatory restrictions.



- (xv) Any other relevant factors that the Board may deem fit to consider before declaring dividend.

5. Utilization of retained earnings:

Subject to applicable provisions of the Act, the Company's retained earnings shall be applied for:

- a) Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- b) Modernization Plan
- c) Payment of dividend in future years.
- d) Issue of bonus shares/ Buy-back of securities of the Company etc.
- e) Any other permissible purpose.

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

- (i) Preference shareholders shall receive dividend at the fixed rate as per the terms of allotment and shall stand in priority to the equity shareholders for payment of Dividends.
- (ii) Equity shareholders shall be entitled to the dividend, interim or final, if recommended by the Board of the Company and confirmed or approved by the shareholders of the Company, as the case may be. The dividend of equity shareholders shall stand second in priority after payment of dividend to the preference shareholders, if any.

7. Conflict in Policy:

In the event of any conflict between this Policy and Listing Regulations, then the provisions contained in the Listing Regulations shall prevail.

8. Interpretation

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act and Listing Regulations.

9. Review/Revision/Amendment to the Policy:

The Board of the Company reserves the right to amend, alter and modify this Policy from time to time at its sole discretion in accordance with the provisions of the Act and Listing Regulations.

The Company/Board of the Company reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation, or standard governing the Company then such the law, rule, regulation, or standard will take precedence over this Policy until such time as this Policy is amended to conform to the law, rule, regulation or standard and the part(s) so repugnant shall be deemed to severed from this Policy and the rest of the Policy shall remain in force.

