

PATANJALI FOODS LIMITED

DIVIDEND DISTRIBUTION POLICY

(Adopted by the Board of Directors at their meeting held on May 15, 2025)



PATANJALI FOODS LIMITED
DIVIDEND DISTRIBUTION POLICY

Effective Date: June 09, 2020

First Modification: August 11, 2023

Second Modification: May 15, 2025

TABLE OF CONTENTS:

S. No.	Particulars	Page No.
1.	Preface	3
2.	Objective	3
3.	Dividend Payout	3
4.	Circumstances under which the shareholders of the Company may or may not expect dividend	3
5.	Broad parameters to be considered before recommending dividend	3
6.	Utilization of retained earnings	4
7.	Parameters that shall be adopted with regard to various classes of shares	4
8.	Conflict in Policy	4
9.	Interpretation	4
10.	Review/Revision/Amendment to the Policy	4-5



PATANJALI FOODS LIMITED
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 (“**Company**”) has approved and adopted this Policy at its meeting held on June 09, 2020, which was subsequently modified on August 11, 2023, and May 15, 2025.

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. Dividend Payout:

The Board of Directors shall make every effort to ensure that the dividend payout remains stable and consistent across financial years. In line with this objective, and subject to the availability of distributable profits, financial prudence, and compliance with applicable legal and regulatory provisions, the Board shall strive to recommend a dividend upto 30% of profits after tax on standalone basis. In case of any special event, the Board may consider recommending an additional dividend (*in addition to the dividend of upto 30% of profits after tax on standalone basis, as mentioned above*) to the extent the Board deems fit and appropriate.

The aforesaid dividends shall be subject to the internal as well as external factors mentioned hereinbelow and in addition to the said factors the Board shall also evaluate the following a) the interests and expectations of all stakeholders, b) the business and operational requirements of the Company, c) its current financial position, d) the extent of any accumulated losses, and e) the availability of adequate cash flows, before determining the dividend payment.

Additionally, the Company shall also ensure compliance with all applicable statutory and regulatory requirements before determining the quantum of such dividends.

4. 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 after tax for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 (“**CA 2013**”). 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 CA 2013.

5. Broad factors to be considered before recommending dividend:

a. Internal and financial parameters:

- (i) Availability of distributable surplus available as per CA 2013.
- (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.
- (ix) Any other factor as may think fit by the Board

b. External:

- (i) Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution.
- (ii) Future uncertainties.
- (iii) Market and sectoral performance.
- (iv) Macroeconomic and business conditions in general.
- (v) Competitive market scenario.
- (vi) Regulatory restrictions.
- (vii) Any other relevant factors that the Board may deem fit to consider before declaring dividend.

6. Utilization of retained earnings:

Subject to applicable provisions of CA 2013, 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/ Buyback etc.
- e) Any other permissible purpose.

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

- a. Preference shareholders shall receive dividends at the fixed rate as per the terms of allotment and shall stand in priority to the equity shareholders for payment of Dividends.
- b. 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.

8. Conflict in Policy:

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations and CA 2013 shall prevail.

9. 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 CA 2013 and Listing Regulations.

10. 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 CA 2013 and Listing Regulations.



Dividend Distribution Policy

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 confirm 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.

