

**FABTECH TECHNOLOGIES LIMITED**  
**(FORMERLY KNOWN AS FABTECH TECHNOLOGIES PRIVATE LIMITED)**

**DIVIDEND DISTRIBUTION POLICY**

This Dividend Distribution Policy (“Policy”) applies to the distribution of dividend by Fabtech Technologies Limited (formerly known as Fabtech Technologies Private Limited) (“Company”) and has been formulated in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

## **1. OBJECTIVE**

- 1.1 This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- a. The Company shall make appropriate disclosures as required under the Listing Regulations.
  - b. The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.
  - c. The Company has had an uninterrupted dividend payout since listing. In future, the Company would endeavour to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

## **2. DEFINITIONS**

- 2.1 “Board of Director” or “Board” means the Board of Directors of Fabtech Technologies Limited (formerly known as Fabtech Technologies Private Limited), as constituted from time to time.
- 2.2 “Company” means Fabtech Technologies Limited.
- 2.3 “Policy” means this policy on Dividend Distribution as amended from time to time.
- “Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- 2.4 “Dividend” for the purpose of this policy shall mean to include Interim Dividend or any special dividend payable to the holder of equity shares of the company from time to time.
- 2.5 “Financial year” shall mean the period starting from 1<sup>st</sup> day of April and ending on 31<sup>st</sup> day of March every year.
- 2.6 Website means “[www.fabtechnologies.com](http://www.fabtechnologies.com)”

### **3. DECLARATION OF DIVIDEND**

- 3.1 The declaration of dividend (including interim dividend) would be subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.
- 3.2 The Company may distribute up to 25% of net profit (including surplus) for the financial year as dividend (including any interim dividend declared during the year) subject to necessary approvals from Board of Director / shareholder wherever required.

### **4. PARAMETERS FOR DIVIDEND PAYOUT**

#### **4.1 The circumstances under which the shareholders may or may not expect dividend:**

The Company shall comply with the relevant statutory requirements that are applicable 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, the advice of executive management, and other parameters described in this Policy.

#### **4.2 Financial Parameters including Internal Factors that shall be considered while declaration of dividend:**

The Board of the Company shall consider such financial parameters and internal factors as it deems fit while declaring dividend or recommending dividend to shareholders – these may include the following::

- i) Profits of the Company;
- ii) Retained Earnings
- iii) Earnings outlook for next three to five years
- iv) Expected future capital/ liquidity requirements
- v) Past dividend pattern;
- vi) Major capital expenditure to be incurred by the Company;
- vii) Cash flow requirements of the Company;
- viii) Debt-equity ratio of the Company;
- ix) Cost of borrowing of the Company, keeping in view the growth opportunities;
- x) Debt obligations of the Company;
- xi) Investments in new business;
- xii) Provisioning for financial implications arising out of unforeseen events and/or contingencies;

- xiii) Reputation of the Company;
- xiv) Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

In addition to the above, where the Board of Directors proposes or recommends the Dividend (Interim or Final), it shall consider all the parameters as set out under the provisions of Section 123 to Section 127 of the Companies Act, 2013 as applicable from time to time.

#### **4.3 External Factors that shall be considered while declaration of dividend:**

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors that may affect the Company's dividend payment are:

- i) Regulatory requirements;
- ii) Unfavorable market conditions;
- iii) Economic environment;
- iv) Political/geographical situations;
- v) Inflation rate;
- vi) Industry Outlook for future years.

#### **4.4 Utilization of Retained Earnings:**

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

- i) Capital expenditure for working capital;
- ii) Organic and/or inorganic growth;
- iii) Investment in new business(es);
- iv) Additional investment in existing business(es);
- v) Declaration of dividend;
- vi) Capitalisation of shares;
- vii) Buy back of shares;
- viii) Bonus issue
- ix) General corporate purposes, including contingencies;
- x) Any other permitted usage as may be deemed fit by the Board of Directors of the Company.

#### **4.5 Parameters with regard to various classes of shares:**

4.5.1. Presently, the issued share capital of the Company comprises of only one class of equity shares of Rs.10 each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

4.5.2. However, notwithstanding anything contained in this policy, where the company issues a security with a fixed coupon rate for dividend, the same shall be binding and applicable to the concerned securities.

4.5.3. The Dividend (Interim and Final) shall be payable to all the shareholders of the company as on the record date fixed by the Board of Directors and in proportion to their holding in the share capital of the company.

4.5.4. The dividend shall be calculated as a percentage of the face value of the equity share of the company.

## **5. AMENDMENTS AND REVIEW OF THE POLICY**

The Board shall have the power to review this Policy from time to time and amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The same shall be required to be approved by the Board of Directors of the Company.

## **6. DISSEMINATION OF THE POLICY**

The approved Policy shall be uploaded on the Company's website.

The Policy is effective from 30<sup>th</sup> July, 2024

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