



DIVIDEND DISTRIBUTION POLICY

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

1. Scope and Objective

This Policy lays down a broad framework for the distribution of dividends by Empower India Limited (“the Company”), while balancing the objective of rewarding shareholders and retaining adequate resources for growth, sustainability, and future expansion.

The Policy aims to ensure fairness, consistency, and transparency in dividend decisions. It outlines the key parameters and circumstances that the Board of Directors (“Board”) considers while recommending or declaring dividends.

This Policy is intended to serve as a guiding framework and shall not be construed as a binding commitment. The Board retains full discretion in recommending dividends based on relevant factors and prevailing circumstances.

2. Statutory Requirements

The declaration and payment of dividend shall be in accordance with the provisions of the Companies Act, 2013, including relevant sections and rules framed thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, as well as the Articles of Association of the Company.

3. Parameters to be considered while recommending/declaring dividend

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

Financial/Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalization of shares

External Factors:

- Economic environment, both domestic and global.

Empower India Limited

CIN: L51900MH1981PLC023931

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- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

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

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

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

1. the Company has inadequacy of profits or incurs losses for the Financial Year;
2. the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
3. the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
4. the Company has significantly higher working capital requirement affecting free cashflow.
5. the Company proposes to utilize surplus cash for buy- back of securities;
6. the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

5. Policy as to how the retained earnings will be utilized

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

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6. Quantum and manner of dividend payout

The Company shall endeavor to maintain a **dividend payout ratio in the range of 25% to 40% of standalone Profit After Tax (PAT)**, subject to the factors outlined in this Policy.

Dividend shall be declared out of profits as per standalone financial statements, in accordance with applicable law.

The Company may declare:

- **Final Dividend** – recommended by the Board and approved by shareholders at the Annual General Meeting
- **Interim Dividend** – declared by the Board during the financial year, as deemed appropriate

The Company may also strive to maintain a consistent dividend approach across its subsidiaries, where feasible.

7. Dividend on Shares with Differential Rights

Dividend on shares, including those with differential rights, shall be paid in accordance with the terms of issue and the Articles of Association of the Company.

8. Disclosures

The Policy shall be disclosed on the website of the Company i.e. www.empowerindia.in

9. Policy review and amendments

The Board may review and amend this Policy from time to time to ensure alignment with applicable laws, business needs, and shareholder interests.

10. Disclaimer

This Policy does not constitute a guarantee of dividend payout and is subject to the discretion of the Board.

The Board reserves the right to modify, suspend, or depart from this Policy based on business needs and prevailing circumstances.

Investors are advised not to rely solely on this Policy for investment decisions, as dividend declaration depends on multiple dynamic factors.
