

LUMINA DATAMATICS LIMITED

DIVIDEND DISTRIBUTION POLICY

Title	Dividend Distribution Policy		
Department	Legal & Secretarial and Finance	Version	1.0
Date of Effect	January 18, 2023	Date of Next Review	March 31, 2026

1. PREAMBLE AND BACKGROUND:

Dividend is profits earned by the company and divided amongst the shareholders in proportion to the amount of paid up shares held by them. Simply stated it is a return on investment made by the shareholders.

The term ‘dividend’ has been defined under Section 2(35) of the Companies Act, 2013. The term “Dividend” includes any interim dividend. It is an inclusive and not an exhaustive definition. According to the generally accepted definition, “dividend” means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

Dividends are usually payable for a financial year after the final accounts are ready and the amount of distributable profits is available. Dividend for a financial year of the company (which is called ‘final dividend’) are payable only if it is declared by the company at its Annual General Meeting on the recommendation of the Board of directors. Sometimes dividends are also paid by the Board of directors between two Annual General Meetings without declaring them at an Annual General Meeting (which is called ‘interim dividend’) if so authorized by its Articles of association.

Generally, dividend is paid by a company to its shareholders on a particular date (record date) either out of profits or out of reserves / accumulated profits.

This policy applies to the distribution of dividend by Lumina Datamatics Limited (“the Company” or “Lumina Datamatics”) in accordance with the provisions of the Companies Act, 2013 (“Act”).

2. OBJECTIVE:

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company.

3. PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:

Subject to the provisions of the Companies Act, 2013, dividend shall be declared or paid only out of:

1. Profit of the current year after providing of the depreciation; or
2. Profit of the previous financial year or years after providing for depreciation for previous years; or in computing profits any amount representing unrealized gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded;
3. No dividend shall be declared or paid by a company from its reserves other than free reserves.
4. No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.

4. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND:

A. Internal Factors

1. Standalone / net operating profit after tax;
2. Operating cash flow of the Company for the year;
3. Liquidity position, aggregate Debt of the Company (both standalone and consolidated), debt service coverage position etc.;
4. Loan repayment and Working capital requirements;
5. Capital expenditure requirements;
6. Resources required for funding acquisitions, mergers and / or new businesses;
7. Cash flow required for meeting tax demands and other contingencies;
8. Regulatory (and growth requirement of) Capital Adequacy;
9. Regulatory (and growth requirement of) Solvency;
10. Trend of dividends paid in the past years;
11. Dividend receipt from subsidiaries;
12. Any windfall, extra-ordinary or abnormal gains made by the Company; &
13. Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

B. External Factors

1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;

2. Dividend pay-out ratios of companies in the same industry; &
3. Any other factor that has a significant influence / impact on the Company's working/ financial position of the Company;
4. The Board of Directors may additionally recommend special dividend in special circumstances.

5. **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDER MAY OR MAY NOT EXPECT DIVIDEND:**

The Equity Shareholder of the Company may expect dividend only if the Company is having surplus profits after providing for all expenses, depreciation and other necessary deductions and after complying with all other statutory provisions of the Companies Act, 2013 and other applicable laws. The internal and external factors specified above shall be a crucial factor for taking a dividend declaration decision and determining the dividend distribution amount.

The Equity Shareholder of the Company may not expect dividend, if the Company does not have surplus funds after providing for all expenses, depreciation, or other necessary deductions and after complying all other statutory provisions of the Companies Act, 2013 and other applicable laws. Also, the equity shareholder of the Company may not expect dividend, if the internal and external factors specified above warrant full retention of the surplus profit.

6. **PROCEDURES:**

Pursuant to provisions of Section 123 of the Companies Act, 2013 and rules made thereunder, the Board may declare interim dividend or recommend final dividend, payable to the existing shareholder of the Company subject to shareholders' approval.

The Board, as they deem fit, may declare the interim dividend, one or more times in a financial year in line with this policy. This would be in order to supplement the annual dividend or in exceptional situations. Whereas, the final dividend is paid once for the financial year after the annual accounts are prepared.

The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholder in an Annual General Meeting.

7. **DISCLOSURE:**

This Policy shall be uploaded on the Company's website for public information.

8. **POLICY REVIEW:**

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Key management personnel's (KMPs) or the person authorised by the Board may review this Policy from time to time. Any material changes to this Policy shall require prior approval of the Board.

Approved by
For and on behalf of Board of Directors

Sd/-
Sameer L. Kanodia
Managing Director & CEO