NUPUR RECYCLERS LIMITED

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE AND BACKGROUND:

Dividend represents the portion of the distributable profits of the Company that may be distributed to its shareholders as a return on their investment, subject to the applicable provisions of the Companies Act, 2013 and other applicable laws.

The term "Dividend" is defined under Section 2(35) of the Companies Act, 2013 and includes interim dividend. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act, 2013, the Rules made thereunder, the Articles of Association of the Company and other applicable regulatory requirements.

The Company may declare final dividend for a financial year at the Annual General Meeting, on the recommendation of the Board of Directors, subject to the approval of the members and the availability of distributable profits. The Board of Directors may also declare interim dividend during the financial year, subject to the applicable statutory provisions and the financial position of the Company.

This Policy sets out the broad principles and parameters to be considered by the Board of Directors while determining and recommending the declaration and distribution of dividend, with a view to maintaining an appropriate balance between rewarding shareholders and retaining adequate resources for the Company's present and future business requirements.

2. INTRODUCTION:

The Board of Directors ("Board") of Nupur Recyclers Limited ("Company") has adopted this Dividend Distribution Policy ("Policy") to provide a transparent framework for recommending and declaring dividend, considering the financial position, business requirements and other relevant factors of the Company.

The Policy is framed in accordance with the applicable provisions of the Companies Act, 2013, ("the Act") including Sections 123 to 127 and the Companies (Declaration and Payment of Dividend) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") as amended from time to time.

The Company has voluntarily adopted this Policy to provide greater clarity and transparency to its shareholders regarding the factors considered by the Board while recommending or declaring dividend.

3. OBJECTIVE

The objective of this Policy is to provide a framework for determining the declaration and distribution of dividend by the Company, while balancing the interests of shareholders with the need to retain adequate funds for the Company's ongoing operations, financial commitments and future growth requirements.

The Policy lays down the broad parameters and factors to be considered by the Board of Directors while determining and recommending dividend from time to time. The dividend, if any, shall be recommended by the Board based on the Company's profitability, financial position, cash flows, funding requirements and other relevant factors, subject to applicable statutory and regulatory requirements.

The Company shall endeavour to follow a prudent and sustainable approach towards dividend distribution, while retaining flexibility to determine the quantum of dividend based on the circumstances prevailing from time to time.

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

2. "Applicable Laws" shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

4. DEFINITIONS

1. "**Board or Board of Directors**" shall mean the Board of Directors of the Company.

2. "**Company**" shall mean Nupur Recyclers Limited and wherever the context requires, shall signify the Company acting through its Board.

3. "**Dividend**" shall mean Dividend as defined under Companies Act, 2013.

4. "**Financial Year**" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

5. "**Policy or this Policy**" shall mean this Dividend Distribution Policy and as may be amended from time to time.

6. "**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

7. PARAMETERS FOR DECLARATION OF DIVIDEND

- **Financial Parameters / Internal Factors:**

Subject to the provisions of the Act, Dividend shall be declared or paid only out of:

(i) Current Financial Year's profit:

a) After providing for depreciation in accordance with law;

b) After transferring to reserves such amount as may be prescribed under the Act or as may be otherwise considered appropriate by the Board at its discretion.

(ii) The profits for any previous Financial Year(s):

a) After providing for depreciation in accordance with law;

b) Remaining undistributed; or

(iii) Out of i) & ii) both

The Board of Directors of the Company would consider the following financial parameters / internal factors before declaring or recommending Dividend to shareholders:

i. Profits earned during the year;
ii. Capital expenditure requirements;
iii. Past performance / Dividend history of the Company;
iv. Resources required to fund acquisitions and / or new businesses;
v. Cash flow required to meet operations & contingencies;
vi. Cost of borrowings and outstanding borrowings;
vii. Return on capital invested & post Dividend EPS;
viii. Additional investments in subsidiaries / associates of the Company;
ix. Any other factor as deemed fit by the Board.

- **External Factors:**

The Board of Directors of the Company would consider the following external factors before declaring or recommending Dividend to shareholders:

i) State of Economy

In case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future contingencies.

ii) Statutory Restrictions

Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including taxation.

8. UTILISATION OF RETAINED EARNINGS

The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

9. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The shareholders of the Company may expect dividend to be recommended by the Board of Directors, subject to the availability of distributable profits and surplus funds after providing for expenses, depreciation and other necessary deductions and after complying with the applicable provisions of the Companies Act, 2013, SEBI LODR and other applicable laws. The decision regarding declaration and quantum of dividend shall, however, be determined by the Board after considering the relevant internal and external factors, as specified in this Policy, prevailing at the time.

The shareholders may not expect dividend, or may expect a lower dividend, where the Company does not have adequate distributable profits or surplus funds after meeting its expenses, depreciation and other necessary obligations, or where the financial position, business requirements or other internal and external factors warrant retention of profits. Such circumstances may include significant expansion or capital expenditure

requirements, higher working capital requirements, acquisitions, restructuring or joint ventures, buy-back of securities, or other strategic requirements of the Company.

The declaration of dividend shall accordingly remain subject to the financial position and requirements of the Company from time to time, and shall not constitute a commitment towards any fixed or predetermined rate of dividend.

10. 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 shareholders 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 shareholders in an Annual General Meeting.

The Company may consider declaring dividend, as may be recommended by the Board of Directors, based on the availability of profits and surplus funds, after providing for expenses, depreciation and other necessary deductions and subject to compliance with applicable provisions of the Companies Act, 2013 and other applicable laws, while taking into consideration the factors specified in this Policy.

11. DISCLOSURE:

This Policy shall be uploaded on the Company's website for public information and the web link of the same shall be provided in the Annual Report of the Company.

12. POLICY REVIEW

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India 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

REVISION HISTORY

Version No.	Reviewed by	Approved by	Release Date
1	Company Secretary & Compliance officer	Board of Directors	27.11.2021
2	Company Secretary & Compliance officer	Board of Directors	31.01.2025