



OVAL PROJECTS

(A Team of Excellence For Better Future)

## DIVIDEND DISTRIBUTION POLICY

### OVAL PROJECTS ENGINEERING LIMITED

CIN: U74900TR2013PLC008465

**Registered Office:** House No.451568, Milan Chakra, (Near Prajapita Brahmakumari Centre), Badharghat, P.O. A., D. Nagar, Agartala, Tripura, India, 799003

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### Oval Projects Engineering Ltd.

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CIN – U74900TR2013PLC008465

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Pincode-121003

## DIVIDEND DISTRIBUTION POLICY

### TITLE

This Policy shall be called 'Dividend Distribution Policy'.

### COMMENCEMENT

This Policy is effective from the date of approval of the same by the Board of Directors of the Company.

### OBJECTIVE

- a. This Policy is framed in accordance with the requirement under Regulation 43A(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- b. The Company shall make appropriate disclosures as required under the Listing Regulations.

### DEFINITIONS

- a. "Board" means the Board of Directors of OVAL PROJECTS ENGINEERING LIMITED.
- b. "Company" means OVAL PROJECTS ENGINEERING LIMITED
- c. "Policy" means this Policy, as amended from time to time.
- d. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- e. "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.

### REGULATORY FRAMEWORK

The Dividend, if any, declared by the Company (including Interim Dividend) shall be governed by the provisions of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Listing Regulations and the provisions of Articles of Association of the Company, as in force time to time (hereinafter collectively referred as "Applicable Laws").

### PARAMETERS FOR DIVIDEND PAYOUT

**a. The circumstances under which the shareholders may or may not expect dividend:**

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

1. Prospective growth opportunities/threats/concerns of the Company;
2. Inadequacy or absence of profits;
3. Higher working capital requirements for business operations of the Company.

**b. Financial Parameters including Internal Factors that shall be considered while declaration of dividend:**

The financial parameters which would be considered while declaration of dividend by the Board are as follows:

1. Profits of the Company;

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2. Past dividend pattern;
3. Major capital expenditure to be incurred by the Company;
4. Cashflow requirements of the Company;
5. Debt-equity ratio of the Company;
6. Cost of borrowing of the Company, keeping in view the growth opportunities;
7. Debt obligations of the Company;
8. Investments in new business;
9. Provisioning for financial implications arising out of unforeseen events and/contingencies;
10. Reputation of the Company;
11. Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

**c. 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 affecting the Company's dividend payment are:

1. Regulatory requirements;
2. Economic environment;
3. Political/geographical situations;
4. Inflation rate;
5. Industry Outlook for future years.

**d. 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:

1. Capital expenditure for working capital;
2. Organic and/or inorganic growth;
3. Investment in new business(es);
4. Additional investment in existing business(es);
5. Declaration of dividend;
6. Capitalization of shares;
7. Buy back of shares;
8. General corporate purposes, including contingencies;
9. Any other permitted usage as per the Companies Act, 2013.

### **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The holders of the Equity Shares of the Company as per the Issued and Paid-up capital, on the record date, are entitled to receive dividends. The other classes of shares for e.g. Preference Shares or Shares with differential voting rights will be governed by the terms of issue of such shares. Any convertible instruments issued by the Company shall be entitled for dividend only upon conversion.

### **PROCEDURE WITH RESPECT TO DIVIDEND**

- The Board upon perusing the rational for proposed pay-out, may recommend a final dividend or declare an interim dividend.
- The final dividend recommended by the Board is subject to declaration by the shareholders in the ensuing Annual General Meeting.
- The interim dividend declared by the Board shall be placed for confirmation before the shareholders in the ensuing Annual General Meeting.

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- The CFO may in consultation with the MD shall also recommend to the Board transfer of such percentage of profits for that financial year as deemed appropriate to the reserves of the Company and the Board may decide on the same.
- In case of inadequacy of profits for any financial year, the Board may approve declaration of dividend out of accumulated profits of the previous years as per this Policy and the Regulatory Framework.

#### **AMENDMENTS**

The Board shall have the power to 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.

#### **DISCLOSURES**

The Company shall disclose the Policy on its website.

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