



UFLEX LIMITED
DIVIDEND DISTRIBUTION POLICY
(Effective from June 29, 2021)

1. BACKGROUND AND APPLICABILITY:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 (the “Regulations”) mandates top 1000 (One Thousand) listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy. The Board of Directors (“**Board**”) of UFLEX LIMITED (“**Company**”) has adopted this Dividend Distribution Policy to comply with these requirements.

2. POLICY OBJECTIVES:

The Company is committed to drive superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. The Board of Directors of the Company recognizes the need to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes.

The objective of this Policy is to inform the shareholder and the public at large about Company’s philosophy regarding distribution of profits among the shareholders in the form of Dividend. This Policy will help the investors to analyse whether Company’s Dividend payment philosophy is meeting their investment objectives before investing into the Company.

3. DEFINITIONS:

Unless the context otherwise requires, the words, terms and expressions used in this Policy shall have the meanings given to them under Section 2 of the Companies Act 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- a) “Board of Directors” or “Board” means the Board of Directors of Uflex Limited.
- b) “Company” means Uflex Limited.
- c) “Companies Act” means Companies Act, 2013 and rules made thereunder, as amended from time to time.
- d) “SEBI LODR Regulations, 2015” or “LODR Regulations” means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.
- e) “Policy” means Dividend Distribution Policy of the Company.
- f) “Dividend” includes interim Dividend.

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

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. However, if felt desirable, the Board may also

recommend/declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

Dividend shall be distributed to shareholders (net of applicable taxes, if and wherever applicable) in proportion to the amount paid-up on shares they hold.

The Company firmly believes in making payment of Dividend at regular intervals, whenever the financial position and other factors permit. The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

- a) Any proposed/ongoing expansion program/acquisitions or strategic investments requiring significant allocation of capital.
- b) Higher working capital requirements for business operations of the Company.
- c) Other suitable means are available to reward the shareholders instead of Dividend.
- d) In the event of inadequacy of profit or whenever the Company has incurred losses.
- e) Such other circumstances where Board is of the opinion to not declare/ pay any Dividend.

5. FINANCIAL PARAMETERS AND OTHER INTERNAL / EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

Following financial parameters and other internal / external factors shall be considered while making Dividend decision:

- a) Current year's Profit/ Inadequacy of profit
- b) Accumulated reserves
- c) Distributable surplus available as per the various Acts and Regulations
- d) The Company's liquidity position and future cash flow needs
- e) Track record of Dividends distributed by the Company
- f) Capital expenditure requirements considering the expansion and acquisition opportunities
- g) Cost and availability of alternative sources of financing
- h) Funds requirement for contingencies and unforeseen events with financial implications
- i) Capital market scenario
- j) Shareholders expectations
- k) Government Policies
- l) Macro- economic conditions
- m) Stipulations/ Covenants of loan agreements
- n) Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- o) Payout ratios considering probabilities of its consistency in coming time
- p) Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

6. UTILISATION OF RETAINED EARNINGS:

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- a) Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- b) Investments and new business opportunities.
- c) Payment of Dividend in future years
- d) Issue of Bonus shares
- e) Buyback of shares subject to applicable limits
- f) Meeting financial emergencies and other contingencies.
- g) Any other permissible purpose as may be deemed proper by the Board of Directors.

7. PARAMETERS WITH REGARD TO VARIOUS CLASSES:

The Company has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

8. AMENDMENTS:

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

9. OVERRIDING EFFECT:

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation etc. governing the Company, the law, rule, regulation etc. will take precedence over this Policy until such time as this Policy is changed to conform to that law, rule, regulation etc.

This policy has been approved by the Board of Directors of the Company at their meeting held on 29th June, 2021 and effective from the same date.
