

# **D-LINK (INDIA) LIMITED**

## Dividend Distribution Policy

## DIVIDEND DISTRIBUTION POLICY

### I. Background and applicability:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended, requires that class of companies (based on their market capitalization) to have the Dividend distribution Policy in place. Considering the above and recognising the need to lay down a broad framework for deciding the matters pertaining to distribution of Dividend and / or retaining the profits of the Company, the Board of Directors (“Board”) of D-Link(India)Limited (“Company”) has adopted this Dividend Distribution Policy (“Policy”) to comply with these requirements.

### II. Effective date

The Policy shall become effective from the date of its adoption by the Board i.e. 29<sup>th</sup> May 2021.

### III. Objective of the policy

The Company is committed to driving 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. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business. The Company currently has only one class of shares, viz. equity, for which this policy is applicable.

### IV. General policy on dividend distribution

The Board shall determine the Dividend pay-out in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management and other relevant factors.

The Board will assess the Company’s financial requirements, including present and future growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

### V. Forms of dividends

Interim Dividend: The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.

Final Dividend: 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 for their approval at the Annual General Meeting of the Company.

Special Dividend; The Board may declare/recommend special dividend as and when it deems fit.

## VI. Considerations relevant for decision on dividend

*The Board shall consider the following, while taking decisions of a Dividend pay-out during a particular year ;*

- Statutory requirements: The Company shall observe the relevant statutory requirements at the time of taking a decision about declaration / recommendation of Dividend or retention of profits.
- Inadequacy of profits: In case of inadequacy or absence of profits in any financial year, the Company may also declare/ pay Dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, provided such declaration/ payment of dividend shall be made only in accordance with the provisions of the Companies Act, 2013 and rules specified therein.
- Prudential requirements: Circumstances under which shareholders may not expect dividend and the following strategic matters shall also be considered and the Board may considers it appropriate not to declare dividend for any particular year;
  - to ascertain the needs for capital conservation;
  - to build sufficient reserves of retained earnings;
  - to augment long term financial strength;
  - to build a pool of internally generated funds to provide long-term resources.
  - Proposals for major capital expenditures, etc.
  - Due to losses in any quarter or year
  - The availability of opportunities for reinvestments of surplus funds;
  - Any other corporate action resulting in cash outflow.
  - Payout ratios of comparable companies.
  - Any other relevant factors that the Board may deem fit to consider before declaring Dividend.
- Factors affecting dividend declaration
  - a) External factors to be considered for declaration of dividend:
    - Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients.
    - Any political, tax and regulatory changes in the geographies in which the Company operates.





- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model.

b) Internal Factors to be considered while recommending/ declaring dividend:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- Expected cash requirements of the Company including working capital, capital expenditure
- Quarterly and Annual results and profitability
- Investments including Mergers and Acquisitions (M&A)
- Free cash flow generation
- Buy-back of shares

## VII. **RETAINED EARNINGS**

The retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

## VIII. **MODIFICATION OF THE POLICY**

The Board of Directors is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, or the Listing Regulations, etc.

## IX. **DISCLAIMER**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

