

CELLCRONIC

CELLCRONIC TECHNOLOGIES LIMITED

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DIVIDEND DISTRIBUTION POLICY

DIVIDEND DISTRIBUTION POLICY OF CELLCRONIC TECHNOLOGIES LIMITED

1. Background

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 introduced on 8th July 2016. This policy will be effective 27th October, 2025 being the date of its approval by the Board of Directors of the Company.

Dividend is declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. Board may recommend dividend / interim dividend, at its discretion, to be paid to shareholders.

2. Objective and Scope of the Policy

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.

The decision regarding dividend pay-out is a crucial decision as it balances the amount of profit to be distributed amongst shareholders with the requirement of deployment of internal accruals for sustenance and growth plans of the Company.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company would endeavor to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

3. Parameters to be considered for declaration of Dividend

The Board of Directors may declare interim dividend/recommend final dividend for consideration of shareholders of the Company.

As in the past, subject to the provisions of applicable laws, the Company's dividend payout will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder. Subject to these parameters, the Company would consider to pay about 3% dividend (dividend inclusive of any tax on distribution of dividend in the hands of the Company) of the annual standalone profits after tax after and adjusting for payment of preference dividend, if any or as recommended by the Board.

The Board of Directors of the Company will consider the following parameters while recommending/declaring Dividend:

3.1. Financial Parameters/Internal Factors:

- (a) Standalone/net operating profit after tax;
- (b) Operating cashflow of the Company for the year.
- (c) Liquidity position, aggregate Debt of the Company (both standalone and consolidated), debt service coverage position etc.
- (d) Loan repayment and Working capital requirements;
- (e) Capital expenditure requirements;
- (f) Resources required for funding acquisitions, mergers and/or new businesses;
- (g) Cashflow required for meeting tax demands and other contingencies;
- (h) Regulatory(and growth requirement of) Capital Adequacy
- (i) Regulatory(and growth requirement of)Solvency

- (j) Trend of dividends paid in the past years
- (k) Performance of subsidiaries;
- (l) Dividend receipt from subsidiaries;
- (m) Any windfall, extra-ordinary or abnormal gains made by the Company
- (n) Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

3.2. External Factors:

- (a) Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
- (b) Dividend pay-out ratios of companies in the same industry.
- (c) Any other factor that has a significant influence/impact on the Company's working/financial position of the Company

The Board of Directors may additionally recommend special dividend in special circumstances.

4. Circumstances under which the shareholders may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- 4.1. In the event of inadequacy of profits or whenever the Company has incurred losses;
- 4.2. Significant cash flow requirements towards higher working capital requirements/tax demands/or others, adversely impacting free cash flows;
- 4.3. Anticipating/ ongoing Capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- 4.4. Allocation of cash required for buy-back of securities;
- 4.5. Any of the above referred internal or external factors restraining the Company from considering dividend;

5. Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy. Profits retained in the business will be invested in the business/operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure/acquisition(s) and for all other corporate purposes.

6. Parameters to be adopted with regard to various classes of shares:

Presently, the Authorised Share Capital of the Company is divided into equity share of Rs. 10/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

Currently, the Company has issued one class of equity shares with equal voting rights. As and when the Company issues different class of shares, the Board of Directors may suitably amend this Policy.

7. Procedure

- 7.1. The dividend proposal placed before the Board for consideration shall be in terms of this Policy.

7.2. The Company shall ensure compliance of provisions of applicable Laws and this Policy in relation to Dividend declared by the Company.

8. Disclosure:

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

9. General

9.1. 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.

9.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

9.3. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.