

Minda Corporation Limited

Dividend Distribution Policy

(This policy is applicable from August 12, 2025 replacing the earlier policy)

Background and applicability

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

This policy will not be applicable for Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders

The dividend pay-out decision of the Board would upon the following financial parameters and internal and external factors-

Financial parameters and Internal Factors:

- The Company's liquidity position and future cash flow needs
- Profit earned during the year
- Profit available for distribution
- Earnings Per Share (EPS)
- Capital expenditure requirement
- Working capital requirements
- Acquisition of business, expansion and growth
- Additional investment in subsidiaries and associates of the company
- Up gradation of technology and physical infrastructure
- Cost and availability of alternative sources of financing
- Track record of Dividends distributed by the Company
- Stipulations/ Covenants of loan agreements
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

External Factors:

- Economic environment
- Capital market(s)
- Global conditions
- Statutory Provisions and Guidelines

Interim Dividend

The Board may consider the interim dividend on the basis of financial results. After taking into consideration projected profitability for the year. The Board may declare the interim dividend up to 50% of the total proposed dividend.

Circumstances affecting lower or no dividend pay-out

In certain situations, the Board may choose not to declare dividends or may suggest a reduced pay-out for a specific financial year. This decision could be influenced by factors like potential opportunities, threats, or challenging regulatory and financial conditions.

Covenants of the Dividend Decision

- The Company shall endeavour to be consistent and stable in its dividend pay-out practice, smoothening out the stream of dividends paid to its shareholders.
- The Company shall keep sufficient financial flexibility to fund future growth prospects and maximize corporate value in the long run.
- The Company may declare/distribute dividend out of surplus in the profit and loss account and free reserves of the Company to its shareholders.
- *The Company and its subsidiaries shall endeavor to progressively enhance the overall dividend payout ratio. The target dividend distribution shall be approximately 25% of the profits available for appropriation, to be achieved in a phased manner.*
- *The Company may consider extraordinary or exceptional events while declaring or recommending dividends in any financial year.*