



EMS LIMITED

CIN: L45205DL2010PLC211609

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DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Dividend Distribution Policy

This Dividend Distribution Policy (“Policy”) applies to the distribution of dividend by EMS Limited (“Company”) and has been formulated in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

Definitions:

The terms referred to in the Policy will have the same meaning as defined under the Act and the rules made thereunder, and the Listing Regulations.

Scope:

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

Circumstances under which the shareholders may or may not expect dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

Parameters to be considered while recommending/declaring dividend

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Past dividend trends – rate of dividend, EPS and payout ratio, etc
- Earning Stability
- Growth plans, both organic and inorganic
- Cash Flows
- Current and projected Cash Balance and Company’s working capital requirements.

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Unfavourable market conditions

Dividend Distribution Policy

- Changes in Government policies and regulatory provisions
- Inflation rates
- Any changes in the competitive environment requiring significant investment.

Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

Provisions in regard to various classes of shares

The provisions contained in this Policy shall apply to all classes of shares of the Company. It may be noted that currently the Company has only one class of shares, namely, equity shares.

Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

The Board may review and amend this Policy from time to time, as may be deemed necessary.

Disclosures

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.ems.co.in.

Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
