

DIVIDEND DISTRIBUTION POLICY

OF

ORKLA INDIA LIMITED¹



Version	Approved By	Date of Approval
1.0	Board of Directors	June 03, 2025

¹Formerly known as “Orkla India Private Limited” and “MTR Foods Private Limited”

1. **INTRODUCTION**

This Dividend Distribution Policy (the “Policy”) is formulated pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”). The Board of Directors (“**the Board**”) of Orkla India Limited (“**the Company**”) has approved this Policy which is applicable to the top 1,000 listed companies based on the market capitalization, as may be applicable to the Company.

This Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company.

2. **OBJECTIVE**

The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board shall recommend dividends in compliance with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

3. **GOVERNANCE**

The Company may, subject to its articles of association, pay dividends in proportion to the amount paid on each share. The Board shall have the absolute power to declare interim dividend during the financial year and at any time before the annual general meeting in which the financial statements of the said financial year are considered and adopted by the shareholders of the Company.

The Board, 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 may not declare or recommend the 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.

4. **PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND**

The Board shall consider the following financial / internal parameters while declaring or recommending dividends to shareholders:

Internal Factors:

- Existing and expected underlying financial performance
- Cash flow and liquidity position
- Capital expenditure and investment plans
- Acquisitions and Disposals
- Restructuring activities
- Interim Dividend, if any, already declared during the year and

- Future requirement of funds
- Profits earned and available for distribution during the financial year
- Accumulated reserves including retained earnings
- Net profit made during the financial year as per the consolidated financial statements
- Debt repayment schedules, if any
- Financial implications for contingencies and unforeseen events with financial implications
- Any other relevant factors and material events.

The Board shall consider the following external parameters while declaring or recommending dividends to shareholders:

External Factors:

- Macro- economic environment
- Market conditions and consumer trends
- Changes in regulatory requirements
- Shareholder expectations

5. ADJUSTMENT OF DIVIDEND AGAINST AMOUNT DUE:

Pursuant to Section 127 of the Companies Act 2013, the Company may, at its discretion, adjust the amount of dividend declared and payable to any shareholder against any sums due from such shareholders to the Company, including, but not limited to, any sums due in any capacity other than as a shareholder of the Company.

6. UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and its shareholders. The Company may utilize 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.

7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined when the Company decides to issue other classes of shares.

8. **CONFLICT**

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Listing Regulations shall prevail.

9. **AMENDMENTS**

The Board may, from time to time, make amendments to this Policy to the extent required due to changes in applicable laws and Listing Regulations or as deemed fit on a review.

10. **DISCLOSURE**

This Policy (as amended from time to time) will be available on the Company's website at www.orklaindia.com and in the Annual Report.

11. **REVISION OF POLICY**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Unless otherwise specified, such amendments shall be effective from the date of the meeting of the Board at which such amendments are approved.
