



## **DIVIDEND DISTRIBUTION POLICY**

**FOCUS BUSINESS SOLUTION LIMITED**  
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## DIVIDEND DISTRIBUTION POLICY– FOCUS BUSINESS SOLUTION LIMITED

### 1. PREAMBLE

The Board of Directors ("the Board") of Focus Business Solution Limited ("the Company") has adopted the Dividend Distribution Policy ("the Policy") and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time. Regulation 43A has mandated top five hundred listed entities based on market capitalization to frame and adopt a Dividend Distribution Policy ("Policy"), which shall be disclosed in their respective Annual Reports and websites of the Company.

The philosophy of the Company is to maximize the shareholders' wealth in the Company through various means. The Dividend Distribution Policy ("the Policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company to strike balance between payout and retained earnings, in order to address future needs of the Company. The policy shall come into force for accounting periods beginning from April 1, 2023.

### 2. OBJECTIVE

Company has an objective of appropriately rewarding shareholders through dividends and long term capital appreciation. The profits earned by the Company may either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders as dividend. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans by reconciling between all these needs.

### 3. CLASS OF SHARES

Presently, the issued and paid-up share capital of the Company comprises only ordinary 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, in future, if any and thereafter, the dividend would be declared on equity shares. The Company shall endeavor to pay dividend, subject to consideration of the parameters stated in this Policy.





## **CATEGORY OF DIVIDENDS**

The Act provides for two forms of Dividend- Final and Interim.

- I. Final Dividend: Final dividend is paid once in a financial year after the annual accounts are prepared and adopted by the members of the Company. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the members in the Annual General Meeting.
- II. Interim Dividend: Interim dividend may be declared by the Board of Directors one or more times in a financial year as may be deemed fit by the Board. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy. Normally, the Board may consider declaring an interim dividend after finalization of quarterly (or half yearly) financial results.

## **4. FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND.**

Subject to the provisions of the Companies Act, 2013, dividend shall be declared or paid only out of:

- I. Profit of current financial year;
  - a) After providing for depreciation in accordance with law;
  - b) After transferring to reserves, such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
- II. The profits for any previous financial year(s):
  - a) After providing for depreciation in accordance with law;
  - b) Out of remaining undistributed amount; or
- III. Out of (i) & (ii) both

## **5. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND**

While determining the nature and quantum of the dividend payout, the Board would take into account the following internal and external factors:





**Internal Factors and Financial Parameters:**

- Profitable growth of the Company and specifically, profits earned during the financial year as compared with previous years and Internal budgets,
- Cash flow position of the Company and liquidity position;
- Accumulated reserves;
- Earnings stability;
- Future cash requirements for organic growth/expansion and/or for inorganic growth;
- Brand acquisitions;
- Current and future leverage and under exceptional circumstances, the amount of contingent liabilities;
- Deployment of funds in short term marketable investments;
- Capital expenditure(s)
- Long-term investments; and
- Any other factors as deemed fit by the Board.

**External Factors:**

- State of economy;
- Market conditions;
- Business cycles;
- Economic environment;
- Cost of external financing;
- Any political, tax and regulatory changes in the jurisdiction in which the Company operates.
- Industry outlook for the future years;
- Inflation rate, and;
- Changes in the Government policies or industry specific rulings and regulatory requirements.
- Any other factors as deemed fit by the Board.

Apart from the above, the Board may also consider past dividend history while determining the rate of dividend.





**6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:**

The circumstance that may generally be considered by the Board before making any Recommendations for the Dividend includes:

- Cost of raising funds from alternative sources.
- Whenever the Company has incurred losses or there is inadequacy of profits
- Whenever the Company undertakes any acquisitions or enters into joint Ventures requiring significant allocation of capital.
- Future capital expenditure plans
- Profits earned during the financial year
- Cash flow position and applicable taxes including tax on dividend, subject to the Guidelines as applicable from time to time.
- Any of the below referred internal or external factors, including any regulatory Restriction, if any, restraining the Company from considering dividend;

**7. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED**

Retained earnings will be used for the Company's growth plans, expected capital adequacy/liquidity requirements, debt repayments and other contingencies.

**8. DISCLAIMER**

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

**9. DISCLOSURE**

This Policy shall be uploaded on the Company's website for public information and the web link of the same shall be provided in the Annual Report of the Company.

**10. POLICY REVIEW**

The Key management personnel's (KMPs) may review this Policy from time to time. Any material changes to this Policy shall require prior approval of the Board. In case of any inconsistency between the terms of this Policy, Listing Regulations & Companies Act, 2013 the provisions of the Listing Regulations & Companies Act, 2013 shall prevail.

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