



BRAND CONCEPTS LIMITED

Dividend Distribution Policy

1. PREAMBLE:

In furtherance of good corporate governance practices and in conformity to the provisions of Regulation 43A, the Board of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining back of its profits.

Accordingly, the Board of Directors (“the Board”) of the Company has approved this Dividend Distribution Policy (the “Policy”) at its meeting held on 20.03.2023.

The objective of this policy is to provide clarity to the stakeholders of the company on the dividend distribution framework to be adopted by the company.

2. EFFECTIVE DATE

This Dividend Distribution Policy is effective w.e.f 20.03.2023.

3. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

“**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Company.

“**Company**” means Brand Concepts Limited.

“**Dividend**” includes any interim dividend and shall mean Dividend as defined under the Companies Act, 2013.

“**Listing Regulations**” shall mean the “Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015” and the amendments thereto.

“**Policy**” shall mean this Dividend Distribution Policy.

“**SEBI**” shall mean Securities and Exchange Board of India.

4. PARAMETERS AND FACTORS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

I) Financial parameters and Internal Factors :

- (a) Working capital requirements
- (b) Profits earned during the year
- (c) Profit available for distribution
- (d) Past dividend payout ratio/ trends
- (e) Earnings Per Share(EPS)
- (f) Cost of Borrowing
- (g) Capital expenditure requirement
- (h) Business expansion, growth and acquisition
- (i) Creation of contingency fund
- (j) Investment in Joint-Ventures, associates and subsidiaries
- (k) Agreements with lending institutions/ Debenture Trustees etc.
- (l) Likelihood of crystallization of contingent liabilities, if any

(m) Any other relevant factors that the Board may deem fit to consider before declaring dividend

II) External Factors:

- (a) Statutory provisions and guidelines
- (b) Economic Environment
- (c) Capital Markets
- (d) Global conditions
- (e) Dividend payout ratio of competitors

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding Dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business considering the balanced interest of the shareholders & the company.

The shareholder of the company may not expect Dividend under following circumstances:-

- (a) In case of inadequacy of profits or Whenever the company has incurred losses;
- (b) Whenever the company undertakes or proposes to undertake any expansion plans including capital expenditure for existing operations requiring higher allocation of resources.
- (c) Decision to undertake any form of Capital Restructuring or any new product launches etc. which requires significant capital outflow.
- (d) Significantly higher working capital requirement affecting free cash flow and

(e) In case of being restrained/ prohibited from recommending/ declaring dividend by any regulatory body.

6. POLICY AS TO HOW RETAINED EARNING SHALL BE UTILIZED

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

The retained earnings of the Company may be used in any of the following ways:

- a) Capital expenditure for working capital;
- b) Organic and/or inorganic growth;
- c) Investment in new business(es) and/or additional investment in existing business(es);
- d) Replacement of capital assets;
- e) Issue of bonus shares;
- f) Buy back of shares;
- g) General corporate purposes, including contingencies;
- h) Correcting capital structure;
- i) Mitigate dependence on external debts
- k) High Financial Leverage
- j) Any other criteria as the Board may deem fit from time to time.

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

The Company has issued only one class of equity shares with equal voting rights, hence all the member of the company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited if and when any new class of shares are issued, depending upon the nature and guidelines thereof.

8. DISCLAIMER:

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

Present or Prospective Investors are requested to note that this policy is only a guidance for prudent financial management of the company and is subject to review and change from time to time at the sole discretion of the Company and its Board. It is not intended to be a guidance statement for a Prospective Investors.

9. REVIEW AND AMENDMENTS:

The Policy will be reviewed periodically by the Board. The Board of Directors may, from time to time, change/amend this policy to the extent required due to change in applicable laws and Regulations or as deemed fit on a review, if as a result of such change, any individual clause of this policy contradicts such change, the law shall have the overriding effect over the policy. This policy (as amended from time to time) will be available on the Company's website and in its annual report.