

## DIVIDEND DISTRIBUTION POLICY

### **Background and objectives:**

As per Regulation 43A of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a Dividend Distribution Policy (“the Policy”) which shall be disclosed in their annual reports and on their websites. Radico Khaitan Limited (“Radico Khaitan” or the Company) being one out of top 1000 listed entities based on market capitalization has formulated a dividend distribution policy as approved by the Board of Directors of the Company.

This Policy seeks to lay down a broad framework for the distribution of dividend by Radico Khaitan whilst appropriately balancing the requirements to retain resources for the Company’s growth and sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders. The policy will be broadly in line with the provisions of the Companies Act, 2013 (“the Act”) read with the relevant clauses in the Articles of Association of the Company and also take into consideration, guidelines issued by the SEBI, to the extent applicable.

### **Factors considered while declaring Dividend:**

The Policy establishes the principles to ascertain the amount that can be distributed to the equity shareholders as dividend as well as enable the Company strike balance between pay-out and retained earnings, to address future business requirements.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value of Rs. 2 each, currently. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Act. The Board may also declare interim dividends as may be permitted by the Act.

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and the portion to be retained in the business. Parameters that shall be considered before declaring dividend include the current year’s profit, operating cash flows, outstanding borrowings and cost of debt, business outlook, and the overall macroeconomic environment.

Therefore, the shareholders of the Company *may expect dividend* only if the Company has surplus funds and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company *may not expect dividend* in the following circumstances, subject to the discretion of the Board of Directors:

- i) in case of inadequacy of profits or whenever the Company has incurred losses;
- ii) whenever the Company undertakes or proposes to undertake a significant expansion project or any acquisition or joint venture, requiring significant allocation of funds;
- iii) significantly higher working capital requirement affecting free cash flow.

**Subject to the circumstances and scenarios mentioned above, the Company shall endeavour to maintain a total dividend pay-out of minimum 20% of the annual standalone profits after tax (PAT) of the Company.**

The PAT available for distribution in each financial year shall be distributed to equity shareholders:

- a. by way of interim dividends, if any, declared by the Board from time to time during that financial year; and/or
- b. by way of final dividend, if any, declared by the Shareholder at the Annual General Meeting during that financial year.

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

The profits being retained in the business shall be continued to be deployed for the business purposes to sustain the growth and profitability. The Company stands committed to delivering sustainable value to all its stakeholders.

This policy may be reviewed periodically by the Board of Directors. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.

**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. Given the uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.

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*Last amended on 6<sup>th</sup> May 2026*