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VINATI ORGANICS LIMITED

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DIVIDEND DISTRIBUTION POLICY

1. Preamble and Scope:

This policy applies to the distribution of dividend by Vinati Organics Limited (the "Company") in accordance with the provisions of the Companies Act, 2013 ("the Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

2. Title:

This policy will be called as Dividend Distribution Policy.

3. 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 SEBI Listing Regulations.

4. Background:

The SEBI has, through its notification dated July 8, 2016, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 incorporating Regulation 43A — Dividend Distribution Policy requiring the top 1000 listed entities based on market capitalization (determined as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites (www.vinatiorganics.com).

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

5. Circumstances under which the Shareholders may or may not expect Dividend:

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

Dividends may be declared as Interim Dividend (approved by the Board of Directors) or Final Dividend (recommended by the Board and declared by shareholders at the Annual General Meeting).

Shareholders may not expect a dividend in the following circumstances, subject to the discretion of the Board:

- When the Company has inadequate profits or has incurred a loss for the financial year;
- When the Company requires significant capital for working capital, capital expenditure, expansion, or acquisitions;
- When the Company proposes to utilize surplus cash for buy-back of securities;
- When the Company is prohibited by debt covenants or other legal restrictions.

6. Financial & Internal parameters that shall be considered while declaring Dividend:

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

- Capital allocation plans including:
  - Expected cash requirements of the Company towards working capital, capital expenditure to meet expansion needs;
  - Investments required towards execution of the long-term corporate strategy;
  - Funds required for organic or inorganic growth / acquisitions approved by the Board;
  - Funds required for share buy-back plans.
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding debts and loan obligations;
- Liquidity, profitability and return ratios;
- Any other significant developments that require internal cash investments.

7. External factors that shall be considered for declaration of Dividend:

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

a. Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;

b. Any political, tax and regulatory changes in the geographies in which the Company

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operates;

c. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;

d. Any changes in the competitive environment requiring significant investment;

e. Any significant amendments in applicable tax regimes (e.g., changes in dividend distribution tax or withholding tax norms).

8. Utilization of Retained Earnings:

The Company believes in cash retention for growth, expansion and diversification including acquisition to be made by it, and also as a means to meet contingency. The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined below or it can be distributed to the shareholders.

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

1. Capital expenditure for working capital;
2. Organic and/or inorganic business expansion;
3. Direct investment or equity funding in new or existing line of business(es);
4. Additional investment in existing business(es);
5. Declaration of interim/final dividend;
6. Issuance of fully paid bonus shares (capitalization of reserves);
7. Buy-back of shares;
8. Repayment of debt;
9. General corporate purpose, including contingencies management;
10. Any other permitted usage as per the Companies Act, 2013.

9. 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 of face value ₹1 each.

10. Review & Statutory Override & Amendments:

This Policy shall be reviewed by the Board of Directors on a periodic basis or as and when required due to regulatory updates.

In the event of any conflict, contradiction, or inconsistency between the provisions of this

Policy and the Companies Act, 2013, SEBI Listing Regulations, or any statutory circulars/enactments, the applicable statutory provisions shall automatically prevail over this Policy with immediate effect.

Document History & Version Control

Version No.	Adopted / Approved By	Approval Date	Description / Summary of Changes
1.0	Board of Directors	February 04, 2017	Initial adoption of the Policy pursuant to Regulation 43A of SEBI (LODR) Regulations, 2015.
2.0	Board of Directors	January 31, 2026	Periodic Review of Policy.

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