



## LUMINO INDUSTRIES LIMITED | DIVIDEND DISTRIBUTION POLICY

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### 1. PREAMBLE

Regulation 43(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires the top 1000 listed entities based on their market capitalisation to formulate a Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites a Dividend Distribution Policy.

### 2. OBJECTIVE

The Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The objective of this Policy is to reward the shareholders of the Company by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for future growth of the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time. Through this Policy, the Company would endeavour to maintain a consistent approach to Dividend pay-out plans.

### 3. DEFINITIONS

“**Act**” shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

“**Applicable Laws**” shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

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

“**Company**” shall mean Lumino Industries Limited and wherever the context requires, shall signify the Company acting through its Board.

“**Dividend**” shall mean Dividend as defined under Companies Act, 2013.

“**Financial Year**” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year

“**Policy or this Policy**” shall mean this Dividend Distribution Policy and as may be amended from time to time.

“**SEBI Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

#### **4. PARAMETERS FOR DECLARATION OF DIVIDEND**

In line with the objective stated above, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

##### **FINANCIAL PARAMETERS / INTERNAL FACTORS:**

- Consolidated net operating profit after tax;
- Accumulated reserves;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses;
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends (Whenever applicable);
- Earnings outlook;
- Expected future capital / liquidity requirements;
- Any other relevant factors and material events.

##### **EXTERNAL FACTORS:**

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.
- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;

- 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;
- Any changes in the competitive environment requiring significant investment.
- Inflation rate
- Cost of external financing
- Any other relevant factors and material events.

## **5. UTILISATION OF RETAINED EARNINGS**

The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

## **6. DIVIDEND PAYOUT**

The dividend payout in each financial year, including interim dividends, will be decided by the Board keeping in mind the above-mentioned criteria. Special dividends, if any, will be declared in addition to the regular dividend payout.

## **7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The shareholders of the Company may or may not expect Dividend under the following circumstances:

- i. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.
- ii. Significant higher working capital requirements adversely impacting free cash flow.
- iii. Whenever it undertakes any acquisitions or restructuring or joint ventures requiring significant allocation or reduction of capital.
- iv. Whenever it proposes to utilise surplus cash for buy-back of securities or
- v. In the event of inadequacy of profits or whenever the Company has incurred losses.

## **8. DIVIDEND ELIGIBILITY**

The Company has only one class of equity shareholders and does not have any preference share capital.

## **9. POLICY REVIEW, UPDATES AND AMENDMENTS**

This policy will be reviewed annually by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company. The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

Any changes or revisions to the policy will be disseminated on the Company's Website.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Declaration of Dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

## **10. EFFECTIVE DATE**

The policy was approved by the Board of Directors on December 19, 2024.

## **11. DISCLOSURE**

This Policy, as approved by the Board of Directors, at its meeting held on December 19, 2024 shall be disclosed in the Annual Reports and hosted on the website of the Company [www.luminoindustries.com](http://www.luminoindustries.com)

## **12. CONFLICT IN POLICY**

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

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*End of Policy*