

SPENCER'S RETAIL LIMITED

DIVIDEND DISTRIBUTION POLICY

A. INTRODUCTION

The Board of Directors (the “Board”) of Spencer’s Retail Limited (the “Company”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“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 (“Listing Regulations”) as amended from time to time.

B. OBJECTIVE

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company and to regulate the process of dividend declaration and its payout by the Company which would ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. The Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

C. REGULATORY FRAMEWORK

The Securities Exchange Board of India (“SEBI”) on May 5, 2021 amended Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top one thousand listed Companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

The Company being one of the top one thousand listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. DEFINITIONS

- ✓ **‘Act’** shall mean the Companies Act, 2013 and Rules made thereunder, including any amendments or modifications thereof.
- ✓ **‘Applicable Laws’** shall mean the Companies Act, 2013 and 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 of Director' or 'Board'** shall mean the collective body of the Directors of the Company.
- ✓ **'Company'** shall mean Spencer's Retail Limited.
- ✓ **'Dividend'** shall mean Dividend as defined under Companies Act, 2013.
- ✓ **'Policy' or 'this Policy'** shall means, the 'Dividend Distribution Policy'.
- ✓ **'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.

E. FORMS OF DIVIDENDS

- ✓ Interim Dividend

The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.

- ✓ Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

F. PER SHARE BASIS

The dividend will be declared on per share basis only.

G. FINANCIAL PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND

The financial parameters that may be considered before declaring dividend are profitability, cash flow and future growth and profitability outlook of the Company.

H. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY NOT EXPECT DIVIDEND

The Board may choose not to recommend a dividend, if there are important strategic priorities which



require large investments that would deplete the company's cash reserves or uncertainties in the business performance in the near to medium term.

I. FACTORS AFFECTING DIVIDEND DECLARATION

a) External Factors

- 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.

b) Internal Factors

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- Expected cash requirements of the Company including working capital, capital expenditure
- Quarterly and Annual results
- Investments including Mergers and Acquisitions (M&A)
- Free cash flow generation
- Buy-back of shares
- Funds required to service any outstanding loans;

J. RETAINED EARNINGS

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

K. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Currently, the Company does not have different classes of shares and follows the 'one share, one vote' principle. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.



L. DISCLOSURE

The Company shall make appropriate disclosures as required under the SEBI Regulations.

M. REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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Footnote

This policy was approved and adopted by the Board of Directors on June 15, 2021.

For Spencer's Retail Limited



**Rama Kant
Company Secretary
(FCS 4818)**