



## **FUTURE CONSUMER LIMITED**

### **DIVIDEND DISTRIBUTION POLICY**

#### **Background:**

Pursuant to the requirements prescribed under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Dividend Distribution Policy ("**Policy**") is formulated by Future Consumer Limited ("**FCL**"/ "**Company**") to establish dividend distribution framework which shall be considered by the Board of Directors of the Company ("**Board**") prior to recommending dividend. This Policy is required to be disclosed in the Annual Report and on the website of the Company.

The objective of this Policy is to broadly specify the external and internal factors including financial parameters that shall be considered by the Board while recommending dividend to the shareholders of the Company ("**Shareholders**"). The Board shall while recommending dividend comply with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable laws, rules and regulations.

#### **Company's philosophy:**

FCL believes in long term value creation for its Shareholders while maintaining the desired liquidity, leverage ratios and protecting the interest of all the stakeholders. In terms of the same, FCL will focus on sustainable returns in terms of dividend, in consonance with the dynamics of business environment and the regulatory requirements.

FCL looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance practices enable a company to attract high quality financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles which will attempt to maintain a consistent dividend record to reward its Shareholders.

#### **Declaration of Dividend:**

'Declaration of Dividend' is one of the key financial decisions of the Company, forming part of the overall strategy for efficient allocation of capital as well as increasing shareholder's wealth.

Subject to the applicable regulations, the recommendation of dividend for approval of the Shareholders shall be at the discretion of the Board since ultimately, it is the Board that is best placed to envisage what is in the best interests of the Company.



The Board shall endeavor to strike a balance between: (i) the Company's interest to capitalize its profits, boost cash flows and use surplus funds for its business operations and (ii) the interests of its shareholders, in benefiting from their decision to invest in the shares of the Company.

In line with the philosophy described above, the Board shall review the operating performance every quarter and shall strive to distribute appropriate level of profits in the form of interim / final dividends, from time to time. All dividends shall be subject to statutory regulations and approvals, as applicable.

**Per share basis:**

The dividend will be declared on per share basis only.

**Circumstances under which the Shareholders may or 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.

**Financial parameters and Internal/External factors considered while declaring dividend:**

The financial parameters that may be considered by the Board before declaring dividend are profitability and distributable surplus available, liquidity and cash flow requirements, obligations, taxation policy, past dividend rates, future growth and profitability outlook of the Company.

The Board shall illustratively have regard to the following internal and external factors, in declaring dividend:

**Internal factors:**

- Operations and Earnings of the Company;
- General financial condition;
- Short term and long term capital requirements;
- Resources required to fund acquisitions and / or new businesses;
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Liquidity position;
- Contractual obligations;
- Restrictive covenants under financing arrangements with lenders.

**External:**

- Macro-economic environment;
- Competitive Environment;
- Government Policy;



- Changes in accounting policies and applicable standards;
- Any other matter / risks that the Board may apprehend.

**Usage of retained earnings:**

The Company firmly believes that consistent growth will maximise shareholders' value. Thus the Company shall endeavor to utilize retained earnings towards its business priorities, expansions, growth opportunities, acquisitions, investments or towards the distribution to Shareholders via dividend or other means as permitted by applicable regulations, as will be in the best interests of the Company and its stakeholders.

**Parameters that are adopted with regard to various classes of shares:**

Currently, the Company has only one class of shares. 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 to the investors of each class.

This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes. This Policy would be subject to revision / amendment on a periodic basis, as may be considered necessary by the Board.

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