

# **DIVIDEND DISTRIBUTION POLICY**

# AMAGI MEDIA LABS LIMITED

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## DIVIDEND DISTRIBUTION POLICY

### 1. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015” as amended (the “**Listing Regulations**”), it is mandatory to have a Dividend Distribution Policy in place by top one thousand listed companies based on the market capitalisation calculated as on March 31, every financial year.

The board of directors (the “**Board**”) of Amagi Media Labs Limited (the “**Company**”) has adopted and formulated Dividend Distribution Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company’s website at [www.amagi.com](http://www.amagi.com).

### 2. DEFINITIONS

The terms referred to in this policy (“**Policy**”) will have the same meaning as defined under the Companies Act, 2013 (the “**Act**”) and the rules made there under and the Listing Regulations hereinafter referred to as Applicable Laws.

### 3. EFFECTIVE DATE

The Policy will come into effect on its adoption by the Board.

### 4. OBJECT

The object of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Policy aims to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient funds are retained for the growth of the Company.

The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution of or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending/ declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

### 5. SCOPE

The Policy covers the following:

- a. Dividend to Shareholders of the Company:

To the extent the company has any holders of Preference Shares (“Preference Shareholders”) at the time of declaring dividend, such Preference Shareholders shall be entitled to receive Dividend as

per the terms of allotment of their respective Preference Shares and as recorded in the articles of association of the Company, including wherever prescribed in such terms, in priority to the equity shareholders for payment of Dividend. Upon conversion of all outstanding preference shares to equity shares in accordance with their terms, this paragraph shall cease to apply.

The Company currently has only one class of equity share. The Dividend to Equity Shareholders shall, subject to the above paragraph on distribution to Preference Shareholders, shall be distributed amongst all the equity shareholders based on their shareholding on the record date. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

Recommendation for payment of final dividend to any class of shareholders shall be made by the Board, and thereafter placed before shareholders of the Company for approval.

b. Interim Dividend:

Interim Dividend(s), if any, shall be declared by the Board.

In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting (“AGM”).

c. Final Dividend:

Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

d. Special Dividend:

The Board may, at its discretion, recommend a Special Dividend for the year under certain circumstances considering the performance of the Company. Special dividend (if any) recommended by the Board shall be approved/declared in the AGM of the Company. Declaration of any manner of dividend shall be subject to any additional consents and approvals in the prevailing shareholders’ agreement or articles of association of the Company from time to time, as applicable.

The Dividend payout ratio as a percentage of profits after tax shall be determined by the Board after considering the parameters specified in Clause 6. It shall be the Company’s endeavour to maintain a steady growth in dividend distribution.

## **6. PARAMETERS TO BE CONSIDERED**

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

- a. **Statutory Requirements:** The Board shall comply with the provisions of the Act and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.
- b. **Internal Factors:** The Board shall consider following internal factors:
1. Profits of the Company.
  2. Present and future capital expenditure plans of the Company including organic / inorganic growth opportunities.
  3. Cost of borrowings and Financial commitments with respect to the outstanding borrowings and interest thereon.
  4. Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
  5. Past dividend trend of the Company and the industry.
  6. Any other significant developments or corporate action (including but not limited to Bonus issue, Buy back of shares, capital restructuring, debt reduction and capitalisation of shares) that require cash investments.
  7. Any other relevant or material factor as may be deemed fit by the Board.
- c. **External Factors:** The Board shall consider following external factors:
1. 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.
  2. 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.
  3. State of economy and capital markets.
  4. Any changes in the competitive environment requiring significant investment.
  5. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
  6. Any other relevant or material factor as may be deemed fit by the Board.

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

The Company may be restrained to declare dividends in following circumstances:

1. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital, if any;
2. Significantly higher working capital requirements adversely impacting free cash flow;
3. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
4. Whenever it proposes to utilise surplus cash for buy-back of securities; or  
In the event of inadequacy of profits or whenever the Company has incurred losses.

## **8. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS**

- a. Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- b. Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

## **9. MANNER OF UTILISATION OF RETAINED EARNINGS**

The retained earnings shall be deployed in line with the objects of the Company as detailed in Memorandum of Association of the Company. The Company shall endeavour to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and also its shareholders. The decision of utilization of the retained earning shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

## **10. CONFLICT OF POLICY**

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

## **11. AMENDMENT**

The Board may, from time to time, make amendment(s) to this Policy to the extent required due to change in applicable laws and / or regulations or as deemed fit on a review.

### **Version history**

<b>S. No.</b>	<b>Version</b>	<b>Approved by</b>	<b>Effective Date</b>	<b>Amendment Summary</b>
1.	I	Board	July 02, 2025	Policy drafted and approved

### **Document Review Cycle**

<b>S. No.</b>	<b>Next review date</b>	<b>Policy Owner</b>
1	1 <sup>st</sup> Board Meeting of every Financial Year	Audit Committee