



ARABIAN PETROLEUM LIMITED

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DIVIDEND DISTRIBUTION POLICY

❖ INTRODUCTION

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy of the Company.

The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

❖ TARGET DIVIDEND PAYOUT

Dividend will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilizing retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains/losses, will not be considered for the purpose of declaration of dividend.

❖ FACTORS TO BE CONSIDERED FOR DIVIDEND PAYOUT

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by Board Of Directors.

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings;

- Cash flow from operations;
- Consolidated net operating profit after tax;
- Working capital requirements;
- Future capital expenditure, inorganic growth plans and reinvestment opportunities;
- Resources required to fund acquisitions and/or new business;
- Industry outlook and stage of business cycle for underlying businesses;
- Leverage profile and capital adequacy metrics
- Overall economic / regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

❖ GENERAL

Retained earnings will be used inter alia for the Company's growth plan, Working Capital requirements, debt repayments and other contingencies.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

If the Board decides to deviate from this policy, the rationale for the same will be suitably disclosed. This policy would be subject to revision / amendment on a periodic basis, as may be necessary. This policy (as amended form time to time) will be available on the company's website and in the annual report.
