

## **POLICY ON DIVIDEND DISTRIBUTION**

**EFFECTIVE DATE:** The Policy shall come into effect on: **January 7, 2026**

### **INTRODUCTION:**

The Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, require the top 1000 listed companies (by market capitalization as on March 31 of every financial year) to disclose a Dividend Distribution Policy on their corporate website and provide a web-link of the same in their annual reports.

The board of directors adopt this policy and shall review periodically and may amend the same from time to time, as may be deemed necessary. Upon updating this policy, the same shall be disclosed in the annual report and on the website of the company.

### **OBJECTIVE:**

The object 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. Through this policy company also endeavours to maintain fairness and consistency while considering distribution of dividends to the shareholders.

Though the Policy only represents a general guidance to the decision of the Board for recommending dividend, however in exceptional circumstances, the Board reserves the right to recommend dividend in deviation to this Policy, if so deemed necessary in the best interests of the Company and its stakeholders.

This policy specified the parameters that board should considered while declaring the dividends time to time.

### **DEFINITIONS:**

- a) "Act"** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- b) "Applicable Laws"** shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of dividend.
- c) "Board of Directors"** shall mean the Board of Directors of the Company.

**d) "Company"** means Laxyo Limited (Formerly known as Laxyo Energy Limited).

**e) "Dividend"** means as defined under the Act.

**f) "Financial Year"** means the period beginning from 1st April of every year to 31st March of the succeeding year.

**g) "Policy"** means Policy on Dividend Distribution.

**h) "SEBI"** means the Securities and Exchange Board of India.

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other applicable law or regulation to the extent applicable to the Company.

### **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:**

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the company may not expect dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital, or it undertakes any acquisition or restructuring or joint ventures requiring significant allocation or reduction of capital;
- The Company has significantly higher working capital requirement affecting free cash flow;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profit or whenever the company has incurred losses.

### **FINANCIAL PARAMETERS OR INTERNAL FACTORS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:**

- Profit earned during the financial year.
- Retained Earnings.
- Capital expenditure requirements.

- Past performance or dividend history of the company.
- Cost of borrowings and outstanding borrowings.
- Resources required to fund acquisition and/or new business.
- Cash flow required to meet operations & contingencies.
- Return on capital invested & post dividend EPS.
- Additional investment in subsidiaries/associates of the company.
- Long term investments, brand/strategic acquisitions.
- Business Cycle and expected trend in the business of the Company.
- Any other relevant factors, material events or such other criteria as the Board may deem fit from time to time.

#### **EXTERNAL FACTORS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:**

- Economic environment, both domestic and global.
- Unfavourable market conditions.
- Changes in Government policies and regulatory provisions.
- Cost of raising funds from alternate sources.
- Inflation rates.
- Sense of shareholders' expectations.
- Cost of external financing.
- Comparative dividend payment by other industry players.

#### **UTILIZATION OF RETAINED EARNINGS:**

The Retained Earnings shall be utilized by the Company to undertake corporate actions as approved by the Board, which will strengthen the Company's financial position, in accordance with the applicable laws and regulations not limited to working capital, capital expenditure, organic and/ or inorganic growth, investment in new business(es) and/or additional investment in existing business(es), capitalization of shares, buyback of shares, General Corporate purposes, including contingencies etc.

#### **PARAMETERS ADOPTED WITH REGARDS TO CLASS OF SHARES:**

The company has only one class of shares viz. equity shares and declares dividend on per share basis on such shares.

Equity shareholders shall be entitled for the dividend (interim or final), if recommended by the board of directors and confirmed or approved by the shareholders of the company, as the case may be.

If the Company in future issues any other class of equity shares then such policy shall be amended by the Company.

## **DISCLOSURE:**

The Company shall disclose this policy (including any amendment hereto) on the website of the company and in the annual report of the company.

## **REVIEW OF THIS POLICY:**

This policy is framed based on the provisions of the Act and the requirements of the LODR Regulations. In the event of any conflict between the provisions of this Policy and of the Act or LODR Regulations or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules shall prevail over this Policy.

Further, this policy shall be subject to review as may be deemed necessary and in accordance with any statutory or regulatory requirements. The Board may also, at its discretion, amend, supplement or modify this Policy from time to time.

## **DISCLAIMER**

The Policy does not constitute a commitment or guarantee regarding the future dividends of the Company but only represents a general guidance regarding the Company's dividend policy. The statement of the Policy does not in any way restrict the right of the Board of Directors to use its discretion in the recommendation of the dividend to be distributed in the year and the Board of Directors reserves the right to depart from the Policy as and when the circumstances so warrant and in accordance with the applicable laws.