

VASHISHTHA LUXURY FASHION LIMITED
DIVIDEND DISTRIBUTION POLICY

1. Introduction

As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) require the top 1000 listed entities based on market capitalization shall formulate a Dividend Distribution Policy (“**Policy**”) which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Further as per LODR Regulations, the listed entities other than those specified at may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

And thus, although there is no statutory requirement, the Board of Directors (“**Board**”) of Vashishtha Luxury Fashion Limited (“**Company**”) has voluntarily adopted this Dividend Distribution Policy to comply with these requirements.

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend also includes Interim Dividend.

The Policy has been approved by the Board of Directors of the Company at its meetings held on 1/07/2024. This Policy shall be effective from 1st July 2024

2. Dividend Declaration Philosophy

The Company is deeply committed to deriving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for future growth and long-term value creation for all its stakeholders.

The Board reviews the operating performance every quarter and shall strive to distribute optimum and appropriate level of profits in the form of interim/final dividends, from time to time. All dividends are subject to statutory regulations and approvals as applicable. Accordingly, the Board would continue to adopt a progressive dividend policy, ensuring the immediate as well as long term needs of the business.

3. Target Dividend Payout

The Dividend for any financial year shall normally be paid out of the Company Profits After Tax for that year.

The Dividend will be declared on per share basis only.

If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Factors considered while declaring Dividend

A. Financial Parameters

The Financial Parameters that may be considered before declaring dividend are –

- Profitability
- Cash Flow
- Financial obligations
- Taxation Policy
- Past Dividend rates
- Futures growth

B. Internal Factors

- Annual Operating Plans, budgets, updates
- Capital budgets
- Quarterly and Annual returns
- Investments
- Strategic updates/financial decisions
- Funding arrangements
- Any other matter/risks.

C. External Factors

- Macro-Economic Environment
- Competition
- Legislations impacting business
- Statutory restrictions
- Changes in Accounting Policies and Applicable Standards
- Client related risk
- Any other matter/risks apprehended by the Board

5. Circumstances under which shareholders may or may not expect Dividend

The shareholders of the Company may not expect dividend under certain circumstances including the following:

- In the event of inadequacy of profits or whenever the Company has incurred losses;
- Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- Allocation of cash required for buy-back of securities;

- Any of the internal or external factors restraining the Company from considering dividend

6. Utilisation of Retained Earnings

Retained earnings shall be utilized in accordance with prevailing regulatory requirements, for

- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

The excess/surplus of Retained earnings after considering the above if any shall be distributed to the shareholders via Dividends or other means as permitted by applicable regulations.

7. Conflict in Policy

In the event of a conflict between this policy and the existing statutory regulations, the statutory regulations will prevail.

8. Disclosure

This Policy and any amendments thereto shall be uploaded on the Company's website i.e. www.vashishthaluxuryfashion.com

9. Review/Amendment of Policy

The decision of the Board of Directors of the Company with regard to any or all matters relating to this policy shall be binding on all concerned. The Board of the Company shall have the power to modify, amend or replace this policy in part or full, as may be thought fit from time to time in their absolute discretion.
