



ASPRI SPIRITS LIMITED
(Formerly known as Aspri Spirits Private Limited)



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DIVIDEND DISTRIBUTION POLICY

Version History

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DIVIDEND DISTRIBUTION POLICY

1. PREFACE AND STATUTORY REQUIREMENTS

In compliance with the provisions of the Companies Act, 2013 and the rules made thereunder (the “Act”) and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), the Board of Directors of Aspri Spirits Limited (the “Company”) has adopted this Dividend Distribution Policy. The Policy provides guidance for declaration of dividend by the Company. The Board of Directors (the “Board”) will keep these guidelines in view while declaring / recommending dividend.

The objective of this Policy is to:

- specify the parameters (including internal and external factors) that shall be considered while recommending / declaring the dividend;
- lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and
- provide for the manner of utilization of retained earnings.

2. CONCEPT OF DIVIDEND

Dividend is the share of the profit that a Company decides to distribute amongst its shareholders. The profits earned by the Company can be retained in the business, distributed amongst the shareholders as Dividend or utilised as a combination of the two. The Act allows the Companies to declare and pay interim and final dividends.

Interim dividend is the dividend declared by the Board of Directors between any two Annual General Meetings as and when considered appropriate. The Board has the absolute power to declare interim dividend out of the profits for the financial year in which the dividend is sought to be declared and / or out of the surplus in the profit and loss account.

The Board may, while approving the audited financial statements, recommend final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

3. DECLARATION OF DIVIDEND

Subject to the provisions of the Companies Act, 2013 dividend may be declared and paid out of:

- a) Profits of the Company for the year for which the dividend is to be paid after setting off carried over losses of the previous year(s) and depreciation not provided in the previous year(s);
- b) Undistributed profits of the previous financial years remaining undistributed after providing for depreciation in accordance with law.
- c) Out of (a) and (b) both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.



4. CATEGORY OF DIVIDEND

The Act provides for two forms of Dividend:

- a. Interim dividend- The Act authorize the Board to declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the Annual General Meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.
- b. Final dividend-The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of the Company has the power to recommend the payment of final dividend to the shareholders in a general meeting.

The Board shall have the absolute power to declare interim dividend during the financial year, as and when considered appropriate, in line with this Policy

5. FINANCIAL PARAMETERS

The following financial parameters may be considered by the Board while recommending / declaring dividend:

- a. Adequacy of profit calculated in accordance with the applicable provisions of the Companies Act, 2013 and Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilizing retained earnings for declaration of dividend subject to the provisions of law in the said behalf.
- b. The Board may consider the following financial parameters while recommending/declaring dividend namely, profits earned, distributable reserves, impact of dividend pay-out on Return on Equity, Earnings per Share, Return on Assets, Return on Capital Employed, alternative use of cash, debt repayment schedule, etc.

6. INTERNAL AND EXTERNAL FACTORS

The following factors may be considered by the Board while recommending / declaring dividend:

Internal factors: Projected business outlook and profitability, mergers and acquisitions, expansion or modernization needs, capital expenditure requirements, funds needed for contingent liabilities, buybacks, cash flow position, accumulated reserves, earnings stability, investment in new business, debt servicing, meeting contingencies, cost of raising funds from alternate source, honouring shareholders' sentiment, etc and any other factor as deemed relevant by our Board.

External factors: economic conditions, market trends, regulatory requirements, industry outlook, statutory obligations under various laws, agreements with lenders or debenture trustees, and any other factors beyond our control. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.



7. UTILIZATION OF RETAINED EARNINGS

Retained earnings may be utilized for declaration of dividend (interim/final), issue of bonus shares, buy-back of shares, repayment of debt, capital expenditure, organic and/or inorganic growth plans, general corporate purposes (including contingencies) and such other purposes as may be permitted under the Companies Act, 2013.

8. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

Dividend pay-out is a crucial decision as it determines the share of profit to be distributed amongst the shareholders and share of profit to be retained in the business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not normally expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- a) The Company needs funds for expansion / diversification / acquisition / deleveraging or capital expenditures;
- b) The Company proposes to utilize surplus cash for alternative forms of distribution such as buy-back of securities;
- c) The Company has incurred losses or has earned inadequate profits.

9. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

10. DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company.

11. 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.

12. AMENDMENT

The Board of Directors of the Company have the power to suitably amend the Policy in part or in full as may be deemed appropriate.

13. DISCLAIMER

The Policy may not be construed as either soliciting investments in the Company's securities or assuring guaranteed returns (in any form whatsoever) for investments made in the Company's securities.

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