



DIVIDEND DISTRIBUTION POLICY

OF

BAANGANGA GOLD & DIAMOND (I) LIMITED

(Erstwhile known as Baanganga Gold & Diamond (I) Private Limited)

(Approved by the Board at its meeting held on [•]2026)

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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 the 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 Baanganga Gold & Diamond (I) Limited (Erstwhile known as Baanganga Gold & Diamond (I) Private Limited) (the “**Company**”) in compliance with the Listing Regulations as part of good corporate governance has adopted and formulated Dividend Distribution Policy.

2. OBJECTIVE

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.

3. DEFINITIONS

The terms referred to in this Dividend Distribution 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.

4. SCOPE

The Policy covers the following:

a. Dividend to Equity Shareholders of the Company:

The Dividend will be distributed equally among 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.

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.

5. 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 Companies Act, 2013 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. Company's liquidity position including its present and expected obligations.
 2. Profits of the Company.
 3. Present and future capital expenditure plans of the Company including organic/inorganic growth opportunities.
 4. Financial commitments with respect to the outstanding borrowings and interest thereon.
 5. Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses.
 6. Past dividend trend of the Company and the industry.
 7. Cost of borrowings.
 8. Other corporate action options (For example, Bonus issue, Buy back of shares).
 9. 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. Applicable taxes including dividend distribution tax.
 - 5.
 6. 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.
 7. Any other relevant or material factor as may be deemed fit by the Board.

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

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

- a. During any financial year, the profits of the Company are not adequate, the Board may decide not to recommend any dividend for that year.
- b. The Company undertakes/proposes to undertake significant expansion requiring higher

- allocation of capital,
- c. The company has significantly higher working capital requirement affecting free cash flow,
 - d. The Company is prohibited to recommend/ declare dividend by any regulatory authority,
 - e. As a rule, dividend for any particular financial year shall be recommended or paid out of the Profit of that financial year and the Board shall not declare or recommend any dividend out of the reserves, except for reasons to be expressly laid down. Any decision in this regard shall be reflected in the Annual Report and website of the Company while declaring/ recommending dividend.

7. 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.

8. 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.

9. AMENDMENTS

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.

Further, in case of any modification / amendment / re-enactment of any existing acts, rules, regulations, guidelines, Listing Regulations etc. or an enactment of any new act, rules, regulations, guidelines, etc., which are inconsistent with this Policy, then such modified / amended / re-enacted provisions or new provisions shall prevail over the Policy. Any subsequent amendment /modification in the Listing Regulations, and/or applicable laws in this regard shall automatically apply to this Policy.

10. DISCLOSURE

The policy, as amended from time to time, is disclosed on Company's website i.e. <https://baangangagold.com/>