



DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

(Approved by the Board of Directors in their meeting held on March 31, 2025)

1. Preamble:

This Dividend Distribution Policy is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the 'Listing Regulations'). The Board of Directors of Rajoo Engineers Limited (the "Company"), herein after referred as "the Board", has approved the Dividend Distribution Policy of the Company ("the Policy") and shall disclose the same on the website of the Company and a web-link shall also be provided in Annual Report of the Company. This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes.

2. Objective:

The Company aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach to dividend declaration.

3. Parameters to be considered while recommending/ declaring dividend:

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

Financial/ Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Cash Flows
- Any other relevant factors and material events

External Factors:

- 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
- Cost of external financing

4. Circumstances under which shareholders of the Company may or may not expect dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of

profit to be distributed among shareholders and 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* in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes/ proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/ declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/ parameters mentioned in point 3 above.

5. Policy as to how the retained earnings will be utilized

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation/ Increase in production capacity
- Market expansion plan
- Diversification of business
- Replacement of capital assets
- Issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

6. Parameters for Dividend with regard to various classes of shares

The Company has issued only one class of shares viz. equity shares. 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.

7. Amendments

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

8. Disclaimer

- The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The

statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

- Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.
