
LEAP INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

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 for the top one thousand listed companies based (on the market capitalisation calculated as on March 31, every financial year), to have a Dividend Distribution Policy in place. All other companies may formulate and disclose a Dividend Distribution Policy, on a voluntary basis.

The board of directors (the “**Board**”) of LEAP India Limited (the “**Company**”) has adopted and formulated this Dividend Distribution Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company’s website at <https://leapindia.net/>

2. DEFINITIONS

All capitalised terms referred to in this dividend distribution policy (“**Policy**”), which have not been defined herein, will have the same meaning as defined under the Companies Act, 2013 (the “**Act**”) and the rules made there under or the Listing Regulations (as applicable).

3. EFFECTIVE DATE

The Policy shall come into force with effect from the date of listing of the equity shares of face value of ₹ 1 each of the Company on BSE Limited and National Stock Exchange of India Limited.

4. OBJECT

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.

5. SCOPE

The Policy covers only 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 as on the record date (which may be determined by the Board). Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue of such shares, in accordance with the applicable regulations and will be determined by the Board (and approved by shareholders, if required under applicable laws), 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.

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.

Quorum for all meetings of the Board where Dividend (in any form) is proposed to be declared or recommended or terms of issue of securities are finalised, shall include diverse and varied representation, as practicable so as to ensure that such meetings involve multiple viewpoints and adequate stakeholder representation, including specifically adequate representation of non-executive, executive and independent directors at each meeting (provided if a director chooses to waive his or her right to participation in the meeting of the Board, then such meeting may proceed validly as long as the quorum requirement under Applicable Law is met).

6. 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 thereunder, 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. **Financial Parameters and Internal Factors:** The Board shall consider following financial parameters and internal factors prior to declaring or recommending any dividend for declaration:
 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 prior to declaring or recommending any dividend for declaration:
1. State of economy and capital markets.
 2. Applicable taxes including dividend distribution tax.
 3. 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.
 4. Any other relevant or material factor as may be deemed fit by the Board.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

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

- a. Inadequate profits: If 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. Dividend not to be declared out of reserves: 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 by the Board and in compliance with applicable laws. Any decision in this regard shall be reflected in the Annual Report and website of the Company while declaring/ recommending dividend.

8. 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 determined by the Board, as per applicable laws.
- b. The Board shall not make or recommend any selective or disproportional declaration of dividend to equity shareholders (excluding any other class of shares).
- c. Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

9. 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 (taken by the Board) 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.

10. TAXES

The Company shall make any deduction of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under Applicable Law and also deduct any stamp duties or government taxes, registration fees or charges payable by it, before making any payment of dividend, or in connection with any documents executed in that regard.

11. AMENDMENT

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. Quorum for all such meetings of the Board constituted to consider any amendment to the Policy (other than amendments as required under applicable law), shall be constituted by presence of at least one non-executive, executive and independent director (provided if a director chooses to waive his or her right to participation in any meeting of the Board, then such meeting may proceed validly as long as the quorum requirement under applicable laws is met).