

DIVIDEND DISTRIBUTION POLICY

1. TITLE

This Policy shall be called '**Dividend Distribution Policy**'.

2. COMMENCEMENT

This Policy shall come into force with effect from listing of the Company on Recognized Stock Exchange(s)

3. OBJECTIVE

3.1 This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) ("**SEBI Listing Regulations**").

3.2 The Company shall make appropriate disclosures as required under the SEBI Listing Regulations.

4. DEFINITIONS

4.1 "**Board of Director**" or "**Board**" means the Board of Directors of Expression 360 Services India Limited, as constituted from time to time.

4.2 "**Company**" means Expression 360 Services India Limited

4.3 "**Policy**" means this policy on Dividend Distribution as amended from time to time.

4.4 "**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

4.5 "**Financial year**" shall mean the period starting from 1st day of April and ending on 31st day of March every year.

5. DECLARATION OF DIVIDEND

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.

6. PARAMETERS FOR DIVIDEND PAYOUT

6.1 The circumstances under which the shareholders may or may not expect dividend:

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

- i) Prospective growth opportunities/threats/concerns of the Company;
- ii) Inadequacy or absence of profits;
- iii) Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- iv) Allocation of cash required for buy-back of securities;
- v) Any of the above referred internal or external factors restraining the Company from considering dividend;

6.2 Financial Parameters including Internal Factors that shall be considered while declaration of dividend:

The financial parameters which would be considered while declaration of dividend by the Board are as follows:

- i) Profits of the Company;
- ii) Past dividend pattern;
- iii) Major capital expenditure to be incurred by the Company;
- iv) Cash flow requirements of the Company;
- v) Debt-equity ratio of the Company;
- vi) Cost of borrowing of the Company, keeping in view the growth opportunities;
- vii) Debt obligations of the Company;
- viii) Investments in new business;
- ix) Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- x) Reputation of the Company;
- xi) Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.
- xii) The Company's financial performance/ liquidity position
- xiii) Outstanding borrowings, if any
- xiv) Setting off the unabsorbed losses and / or depreciation of past years, if any

6.3 External Factors that shall be considered while declaration of dividend:

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

- i) Regulatory requirements;
- ii) Economic environment;
- iii) Political/geographical situations;
- iv) Inflation rate;
- v) Industry Outlook for future years.
- vi) Payout ratios of comparable companies
- vii) Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- viii) Availability of alternative sources of financing
- ix) Applicable taxes including dividend distribution tax.
- x) Technological Changes which necessitate significant investment in the business of the Company
- xi) Overall performance of the sector/Industry in which the Company operates.

6.4 Utilization of Retained Earnings:

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

- i) Capital expenditure for working capital;
- ii) Organic and/or inorganic growth;
- iii) Investment in new business(es);
- iv) Additional investment in existing business(es);
- v) Declaration of dividend;
- vi) Capitalisation of shares;
- vii) Buy back of shares;
- viii) General corporate purposes, including contingencies;
- ix) Any other permitted usage as per the Companies Act, 2013.

6.5 Parameters with regard to various classes of shares:

Presently, the issued share capital of the Company comprises of only one class of equity shares of Rs.10 each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

vi) DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. www.expression360.in

vii) CONFLICT IN POLICY:

In the event of any conflict between the provisions of this Policy and provisions of the Act or SEBI LODR or any other statutory enactments, rules, the provisions of such Act or SEBI LODR or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

viii) DISCLAIMER

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

ix) REVIEW:

The Policy shall be reviewed periodically by the senior management, to take into account the national and global economic conditions, Company's growth and investment plans and financial position, etc.

and in accordance with any regulatory amendments.

x) **AMENDMENTS**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.