AVI PRODUCTS INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Securities and Exchange Board of India ("**SEBI**") vide its notification dated July 8, 2016 has inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI LODR Regulations**") which requires top thousand (1000) listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

2. REGULATORY/ POLICY FRAMEWORK

The Policy has been framed in line with–

i. The provisions of the Companies Act, 2013 and the rules made thereunder (the **"Act**") and the SEBI LODR Regulations;
ii. Any other law, regulations, guidelines, to the extent applicable.

3. OBJECTIVE AND SCOPE OF THE POLICY

i. The Policy is aimed at increasing the Company's fundamental value ensuring an annual dividend payout based on the amount of profit to be distributed amongst shareholders of the Company after balancing the requirement of deployment of internal accruals for its sustenance and growth plans.
ii. The Company's commitment is to deliver sustainable value to all its stakeholders.
iii. The Company has been consistently paying dividend and this trend is expected to continue in future as well unless the Company is unable to declare dividend due to any of the factors listed ahead.
iv. The Company endeavors to declare dividend from time to time.

4. INTENT OF THIS POLICY

The intent of the Policy is to broadly specify the following parameters:

i. The circumstances under which the shareholders of the Company may or may not expect dividend;
ii. The financial parameters that shall be considered while declaring dividend;
iii. Internal and external factors that shall be considered for the declaration of dividend;
iv. Policy as to how the retained earnings shall be utilized and;
v. Parameters that shall be adopted with regard to various classes of shares.

Provided that if the Company proposes to declare dividend on the basis of parameters in addition to clauses i) to v) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, the Company shall disclose such changes along with the rationale for the same in its annual report and on its website.

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

The Company is expected to pay out dividends to its shareholders in future, unless the Company is restrained to declare dividends due to financial and other internal and external factors. The Company would aim to strike a balance between rewarding shareholders through

dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. Some of the factors that may curtail the ability of the Company to pay out dividends to its shareholders include– i) proposed expansion plans requiring higher capital allocation; ii) decision to undertake any acquisition, merger, joint venture etc.; iii) requirement of higher working capital; iv) proposal for buy-back of securities; and v) in the event of loss or inadequacy of profits.

B. Financial Parameters that shall be considered while declaring dividend.

i. Realized and projected profitability;
ii. Net-worth of the Company and its capacity to borrow;
iii. Earnings per share;
iv. Long-term borrowings;
v. CAPEX/Business Expansion needs;
vi. Retention of profit for further leveraging in line with the CAPEX needs; and
vii. Cash and bank balance.

C. Internal and External factors to be considered while declaring Dividend

i. Capital expenditure requirements considering expansion and other opportunities;
ii. Borrowing levels and the capacity to borrow;
iii. Cost and availability of alternative source of financing;
iv. Macroeconomic and business condition;
v. Regulatory norms; and
vi. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

D. Utilization of Retained Earnings

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:

i. Capital and Revenue Expenditures for the growth of the business and operations of the Company.
ii. Issue of bonus shares or buy back of shares as per SEBI/Stock regulations and guidelines.
iii. Any other purpose which the Board may consider appropriate.

E. Parameters to be adopted with regard to various classes of shares

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. 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.

5. STATUTORY REQUIREMENTS

The Board shall ensure compliance with the requirement of the Act, and all other applicable law while taking decision of a dividend payout during a particular year.

6. MANNER AND TIMELINES FOR DIVIDEND PAYOUT

i. Dividend for every financial year shall be decided by the Board considering various statutory requirements, financial performance of the Company and other internal and external factors enumerated earlier in the Policy.
ii. Interim dividend(s), if any, may be declared by the Board in addition to final dividend.
iii. Subject to applicable laws, the payment of interim dividend shall be made within 30 days from the date of approval by the Board to the shareholders entitled to receive dividend on the record date.
iv. Recommendation for final dividend, if any, shall be done by the Board usually in the Board meeting that considers and approves the annual financial statements, subject to approval of shareholders of the company.
v. Subject to applicable laws, the payment of final dividend shall be made within 30 days from the date of approval by the members to the shareholders entitled to receive dividend on the record date.
vi. The payment of interim dividend shall be subject to Shareholders' ratification.

7. DISCLOSURE OF THIS POLICY

The Policy shall be disclosed in the Annual Report of the Company as well as on the Company's website, as required under the Act and the SEBI LODR Regulations or as may be required under any other law for the time being in force.

8. REVIEW

The Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time. The Chairman and Managing Director of the Company shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace the Policy entirely with a new Policy in accordance with regulatory amendments from time to time and the same should be placed before the Board for their information.

9. WEBSITE

The Policy will be uploaded on the Company's website for public information.

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This Policy was modified approved by the Board of Directors at its meeting held on August 24, 2026.