

INDIA MOTOR PARTS & ACCESSORIES LIMITED



IMPAL's Policy for Distribution of Dividends {Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015}

REQUIREMENT

The Policy is being framed in compliance with the requirement stipulated under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for distribution of dividends.

EFFECTIVE DATE

The IMPAL's Policy (the Policy) for Distribution of Dividends shall come into effect from the date it is approved by the Board of Directors.

POLICY

1. The Board of Directors may declare one or more interim dividends during the financial year after considering various finance and other parameters. The Board may recommend final dividend after approval of the final audited accounts.
2. Final dividend to be paid out of the annual standalone Profit After Tax of the Company, subject to any other regulatory provisions prevailing from time to time.
3. The Board will generally endeavour to maintain a total dividend pay-out ratio of 25-30%, of the annual standalone business profit after tax for each financial year. In respect of Profit arising out of other Income i.e. Dividends from investments returns, a minimum of 25-30% may be declared and higher payout of other Income may be declared, if Board decides to do so.
4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:

Stability of earnings

Carried forward balance in P & L account/Accumulated reserves

Macro- economic environment

Performance of Automotive Distribution Sector



5. The retained earnings of the Company may be used, inter alia, for one or more the following purposes:

- (i) Business expansion;
- (ii) Capital expenditure;
- (iii) Working capital requirements;
- (iv) Investment in new lines of business
- (v) Paying down debt, if any
- (vi) Any surplus available from other income may be invested in Equity Shares or Mutual Funds, if approved by the Board

6. This is as general guidance to the Board and the Board may deviate from this Policy or modify this Policy, depending on special circumstances such as the Pandemic.

