

# DIVIDEND DISTRIBUTION POLICY

## Introduction

The Board of Directors of the Company (“the Board”) has approved this Dividend Distribution Policy of the Company (“the Policy”), which endeavors for a consistent approach to dividend pay-out plans, aid investors to match their investment objectives and to provide for long term capital appreciation for all stakeholders of the Company.

## A. General Guidelines for Distribution of Dividend

- i. The Company shall pay dividend (including interim dividend) in compliance with the applicable provisions of the Companies Act, 2013, rules prescribed thereunder, and any amendments made thereto.
- ii. If the Company proposes to declare dividend on the basis of parameters in addition to those covered in this Policy or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.
- iii. The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:
  - Capital allocation plans including: Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure.
  - Investments required towards execution of the Company’s strategy.
  - Funds required for any acquisitions that the Board of Directors may approve and any share buy-back plans.
  - Minimum cash required for contingencies or unforeseen events.
  - Funds required to service any outstanding loans;
  - Liquidity and return ratios
  - Any other significant developments that require cash investments.

## B. Provisions in regard to various classes of shares.

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

## C. Policy as to how the retained earnings shall be utilized

The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined in clause (a) above or it can be distributed to the shareholders. The company will start to report consolidated free cash generated on an annual basis. The board recommends that at least 15% of that free cash be distributed as dividend every year-end.

## D. Amendments

The Board may at any point of time amend, modify or review this Policy in whole or in part, as may be deemed necessary.

## E. Disclosure

This Policy, as approved by the Board of Directors and shall be disclosed in the Annual Reports and hosted on the website of the Company [www.brightcomgroup.com](http://www.brightcomgroup.com).

## F. Limitation and Amendment

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments (“Regulations”) and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.