

Dividend Distribution Policy of Bodhtree Consulting Limited

This policy applies to the distribution of dividend by **Bodhtree Consulting Limited** (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

Background

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI vide its notification dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribed that, the dividend distribution policy shall include the following parameters:

- a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b) the financial parameters that shall be considered while declaring dividend;
- c) internal and external factors that shall be considered for declaration of dividend;
- d) policy as to how the retained earnings shall be utilized; and
- e) 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 (a) to (e) 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.

Objective

Bodhtree Consulting Limited (the “Company”) has always strived to enhance stakeholder value for its investors. The Company believes that returning cash to shareholders is an important component of overall value creation.

Considerations

The Board of Directors of the Company (“Board”) recommends dividend distribution based on the following factors:

- i. Reported and Projected Net Profit after Tax (PAT) available for distribution in the consolidated financial statements prepared in accordance with Indian Accounting Standards (AS) for the current and projected periods.
- ii. Reported and Projected statements of Free Cash Flow generation
- iii. Current and Projected Cash Balance
- iv. Current and Projected Debt-raising capacity
- v. Committed and projected cash flow needs owing to forecast capital expenditure, anticipated investments in M&A and working capital requirements for current and projected periods.

- vi. The macro economic factors and the general business environment
- vii. Corporate actions resulting in significant cash outflow for the Company

Current Policy

In line with the past practice of paying consistent dividend to the shareholders, the internal dividend policy of the Company is to maintain a payout ratio of up to 50% of Net Profits (excluding any taxes applicable) on consolidated basis (based on the audited accounts for the latest period) as dividend to the shareholders.

Procedure

Final dividend is declared at the April Board meeting or Annual General Meeting (AGM) of the shareholders based on recommendations of the Board. The Board may, at its discretion, also declare an interim dividend. The current practice is to declare an interim dividend in the October Board Meeting and a final dividend at the April Board meeting.

Other Salient Points

Retained Earnings may be used for corporate actions in accordance with applicable law and for investments towards growth of the business. The declaration and payment of dividend shall be subject to applicable laws and Secretarial Standards issued from time to time.

Board Discretion

The Board may recommend special dividend as and when it deems fit.

Review

The Board will review the Dividend policy of the Company at regular intervals.

Disclosure of the policy

This policy will be uploaded on the website of the Company. The Company will announce from time to time its capital allocation policy which is available at www.bodhtree.com