



PIX
Power Transmission Solutions

Driving growth!

PIX Transmissions Limited

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DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION :

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, require the top 1000 listed companies (by market capitalization as on March 31 of every financial year) to formulate a Dividend Distribution Policy .

The Board of Directors of Pix Transmissions Limited at their meeting held on 11th November 2022 , has adopted this Dividend Distribution Policy to comply with these requirements.

2. OBJECTIVE :

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans by reconciling between all these needs.

The Policy also lays down the parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

3. PROCEDURE :

Dividends will generally be recommended by the Board once a year, at the time of announcement of the yearly results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs.10/- each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

The declaration and payment of dividend shall be in accordance with the provisions of Sections 123 to 128 of the Companies Act 2013. Pursuant to the provisions of Section 123 of the Act, the Board shall recommend dividend for any financial year subject to the following:

(a) out of the profits of the Company for that year arrived after providing for depreciation; or



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- (b) out of the profits of the Company for any previous financial year(s) arrived at after providing for depreciation and remaining undistributed; or
(c) out of both (a) and (b).

4. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND :

While determining the nature and quantum of the dividend payout, the Board would take into account the following factors:

A. Internal Factors :

- (a) Growth rate of past earnings;
- (b) Growth rate of predicted profits;
- (c) Expansion and modernization of existing business;
- (d) Investment in research and development;
- (e) Working capital requirements;
- (f) Mergers and Acquisitions;
- (g) Investments in subsidiaries/Joint ventures/associates;
- (h) Buyback options; (i) Approach adopted - residual, stability or hybrid.

B. External Factors :

- (a) Shareholders' expectations;
- (b) Uncertain or recessionary economic and business conditions;
- (c) Restrictions imposed under the Act with regard to declaration of dividend;
- (d) Sectorial performance;
- (e) Future uncertainties and industrial downturn;
- (f) Government policy;
- (g) Clientele effect;
- (h) Risk effect.

C. Financial Factors :

- (a) Availability of profits;
- (b) Financial feasibility of the Company;
- (c) Favorable Debt Equity ratio;
- (d) Debt interest coverage ratio;
- (e) Liquidity position;
- (f) Business expansions, acquisitions, etc.
- (g) Favorable state of the capital markets;
- (h) Profit growth.



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5. WHEN TO EXPECT DIVIDEND :

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus profits after providing for all expenses, depreciation and other necessary deductions and after complying with all other statutory provisions of the Companies Act, 2013 and other applicable laws. The internal, external and financial factors specified above shall be a crucial factor for taking a dividend declaration decision and determining the dividend distribution amount.

The Equity Shareholders of the Company may not expect dividend, if the Company does not have surplus funds after providing for all expenses, depreciation, or other necessary deductions and after complying all other statutory provisions of the Companies Act, 2013 and other applicable laws.

Also, the equity shareholders of the Company may not expect dividend, if the internal and external factors specified above warrant full retention of the surplus profit.

The Board may consider recommending a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such events, the Board shall provide the rationale in the Annual Report.

6. UTILIZATION OF RETAINED EARNINGS :

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) and/or additional investment in existing business (es);
- IV. Declaration of dividend;
- V. Capitalization of shares;
- VI. Buy back of shares;
- VII. General corporate purposes, including contingencies;
- VIII. Correcting the capital structure;
- IX. Any other permitted usage as per the Companies Act, 2013.



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7. CLASS OF SHARES :

The Company has issued only one class of shares viz., equity shares. There are no other class of shares issued or proposed to be issued by the Company. In case of issue of new class of shares in the future, the policy will be reviewed accordingly.

8. PUBLICATION OF POLICY :

This Policy shall be uploaded on the Company's website for public information and the web link of the same shall be provided in the Annual Report of the Company.

9. AMENDMENT :

The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, the Regulations, etc.

10. DISCLAIMER :

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

