

INTELLECT DESIGN ARENA LIMITED
POLICY FOR DIVIDEND DISTRIBUTION
As Adopted by the Board of Directors on March 24, 2018

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

Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Regulations.

Introduction

SEBI has through its notification dated July 8, 2016 released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Second Amendment)Regulations, incorporating Regulation 43A – Dividend Distribution Policy requiring top five hundred listed entities based on market capitalization (calculated on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed on their websites. Intellect Design Arena Limited is hereby publishing a formal Dividend Distribution Policy in accordance with the above mentioned Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from parameters listed in this policy.

Parameters that shall be considered while declaring dividend

The Board shall consider the following parameters while declaring dividend or recommending dividend to shareholders but not limited to:

- i. Funds required for any contingencies or unforeseen events/ service any outstanding loan / any other significant developments that require cash investments
- ii. Proposed expansion plans requiring higher capital allocation
- iii. Future capital expenditure plans including but not limited to anticipated investments for organic and inorganic business growth opportunities
- iv. Profits earned during the financial year
- v. Cost of raising funds from other sources
- vi. The Company’s liquidity position and future cash flow needs
- vii. Prevailing Taxation Policy or amendments expected thereof , with respect to Dividend distribution
- viii. Current and projected cash balance
- ix. Macro-economic factors and general business environment
- x. Corporate actions resulting in significant cash outflow for the Company
- xi. Track record of dividends distributed by the Company
- xii. Current and projected debt raising capacity
- xiii. The Company believes there is surplus cash

Utilization of Retained Earnings

The Company shall utilize the Retained Earnings in the following manner in compliance with applicable rules and regulations

- i. Payment of dividend in future years
- ii. Funding organic and inorganic business needs
- iii. Issue of bonus shares
- iv. Buyback of shares subject to applicable limits
- v. Any other permissible Business Requirement

Circumstances under which a Dividend may not be paid out

Some conceivable circumstances under which shareholders may or may not expect a dividend are adverse market conditions and business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, changing government regulations, etc.

Even under such circumstances, the Board may, at its discretion and subject to applicable rules, choose to recommend a dividend out of Company's free reserves.

Policy Review

The Board of Directors may review this policy periodically by taking into account the national and global economic conditions, Company's growth and investment plans and financial position, etc. and in accordance with any regulatory amendments.

Website

The policy shall be disclosed on the website of the Company

Limitations and Amendments

In the event of any conflict between the Act, SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail.

Any subsequent amendment / modification in the Regulations with respect to Dividend Distribution shall automatically stand applied to this Policy.