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**ACE FURNACES LTD.**

(Formerly known as ACE FURNACES PVT. LTD.)

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ACE FURNACES LIMITED
(FORMERLY KNOWN AS ACE FURNACES PRIVATE LIMITED)
POLICY FOR DIVIDEND DISTRIBUTION

Adopted by	Date of Approval
Board of Directors	23 rd September 2026



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CIN : U29242MH2014PLC253538

POLICY FOR DETERMINATION OF DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

The objective of the Dividend Distribution Policy ("DDP" or "the Policy") is to ensure the right balance between the quantum of dividend paid and the amount of profits to be retained in the business for various purposes. Towards the end, the policy lay down parameters to be considered by the Board of Directors of the Company for declaration of dividend from time to time.

The Company has a good track record of dividend payout. In future, the Company will endeavor to pay sustainable dividends, keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

2. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDENDS

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015, as amended from time to time. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company and plan further investments for growth apart from other parameters set out in this policy.

The Board of Directors may not declare or recommend a dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring a higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring a significant allocation of capital;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.
- Any other factors which may be considered by the Board of Directors.

3. DIVIDEND PAYOUT

- Dividend will be declared out of the current year's Profit after Tax of the Company.
- Only in exceptional circumstances including but not limited to lower profits of loss after tax in any particular financial year, may the Board consider utilizing



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retained earnings for the declaration of dividends, subject to applicable legal provisions.

4. PARAMETERS TO BE CONSIDERED BEFORE DIVIDEND PAYOUT:

A. General:

- The Company shall ensure that the distribution of dividends protects the rights of minority shareholders.
- The Board shall not recommend dividends if it is of the opinion that it is financially not prudent to do so.

B. Financial and Internal Parameters:

The Board of Directors would consider the following financial and internal parameters:

- Profits earned during the financial year;
- Retained Earnings;
- Earning outlook in the next 3 to 5 years;
- Working capital requirements;
- Capital expenditure requirements and loan repayments;
- Resources required to fund acquisitions and/or new businesses;
- Cash flow required to meet contingencies; and
- Outstanding borrowings and total debt equity ratio.

C. External Parameters:

The Board of Directors will consider the following external parameters:

- Significant changes in macroeconomic environment are materially affecting the businesses in which the company is engaged and/ or in the geographies in which the company operates;
- Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the company is engaged; and
- Technological changes that necessitate significant new investments in any of the businesses in which the company is engaged.



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5. UTILISATION OF RETAINED EARNINGS:

The Company shall endeavor to utilize the retained earnings in a manner that shall be beneficial to the interests of the Company and its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, to fund in-organic growth and thus contributing to the growth of business and operations of the Company, to generate higher returns for the shareholders or any other specific purpose, as approved by the Board of Directors of the Company.

6. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

The Authorized Share Capital of the Company is divided into equity shares of face value Rs. 10 each.

At present, the Company has issued only one class of shares viz. equity shares.

The Company shall first declare a dividend on outstanding equity shares if any, as per the terms of issue of such preference shares, and thereafter, the dividend would be declared on equity shares.

The equity shareholders of the Company, as on the record date to be decided, shall be entitled to receive dividends.

7. CONFLICT IN POLICY:

In the event of any conflict between this Policy and the provisions contained in the SEBI (LODR) Regulations, 2015, the SEBI (LODR) Regulations, 2015 as amended from time to time, shall prevail.

8. DISCLOSURE:

The Company shall make appropriate disclosures as required under the SEBI (LODR) Regulations, 2015.

9. AMENDMENTS:

The policy will be subject to review and amendment, as and when necessary, to ensure the same remains relevant and aligned with the evolving best practices and regulatory changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.



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