

Date: 10<sup>th</sup> March, 2021  
To,  
Corporate Relation Department,  
BSE Limited  
PJ Tower,  
Dalal Street, Mumbai-400001

**Scrip Code: 531449**

**Subject: Adoption of Dividend Distribution Policy of GRM Overseas Limited**

Dear Sir,

The Board of Directors in its meeting held on Wednesday, the 10<sup>th</sup> March' 2021 had approved and Adopted Dividend Distribution Policy of Company. A copy of Dividend Distribution Policy approved by Board is attached for your reference.

You are requested to take the above on your records and acknowledge the same

Thanking You  
Yours Faithfully  
**For GRM Overseas Limited**

**Balveer Singh**  
**Company Secretary**  
**M. NO. 59007**

**CIN-L74899DL1995PLC064007**

**DIVIDEND DISTRIBUTION POLICY**

**PREFACE:**

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (herein referred to as "Regulations" or "Listing Regulations") vide Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires top five hundred listed Companies based on market capitalization to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Presently, although Company is not mandatorily required to formulate Dividend Distribution Policy however the Board of Directors of the Company has, on voluntary basis and as a good Corporate Governance policy, formulated, adopted and approved this Dividend Distribution Policy w.e.f. 10<sup>th</sup> March 2021.

**DEFINITIONS:**

- a) "**Listed Entity / The Company**" means "GRM OVERSEAS LIMITED".
- b) "**Policy**" means Dividend Distribution Policy.
- c) "**Board**" shall mean the Board of Directors of the Company.
- d) "**Act**" shall mean the Companies Act, 2013 and Rules thereunder (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- e) "**Dividend**" shall have the meaning as defined under the Act and includes any interim Dividend.
- f) "**Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- g) "**Stock Exchange**" shall mean a recognized Stock Exchange as defined under Securities and Exchange Board of India Act, 1992 (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- h) "**Website**" means www.grmrice.com or any modification thereof.

**POLICY:**

Dividend will generally be recommended by the Board once a year, after the announcement of the full year 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, on quarterly / half yearly basis**, as may be permitted by the Companies Act.

The Company has been declaring dividend to shareholders that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth of the Company.

GRM Overseas Limited

  
Director

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total **dividend pay-out ratio in the range of 20% to 25% of the Annual Consolidated Profits after Tax (PAT)** of the Company.

The Board would also consider past dividend history while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following circumstances:

1. Adverse market conditions.
2. Prospective growth opportunities of the Company.
3. Inadequacy or absence of profit or Cash flow.
4. Higher working Capital requirements for business operations of the Company.
5. Other business condition(s) in the opinion of the Board it would be prudent to plough back the profits of the Company.
6. Decision to undertake any acquisition(s), amalgamation(s), merger, joint venture(s), new product(s) launch which require significant capital outflow.
7. Any other extra ordinary circumstances.

**THE FINANCIAL / INTERNAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND:**

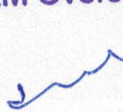
1. Profits of the Company.
2. Past Dividend pattern/trends.
3. Operating Cash flow of the Company.
4. Present and future Capital requirements of the existing business
5. Costs of borrowing of the Company, keeping in view the growth opportunities.
6. Debt obligations of the Company.
7. Funds required to service any outstanding loans.
8. Liquidity and Return Ratios.
9. Provisioning for financial implications arising out of unforeseen events and/or contingencies.
10. Investments in new line(s) of business;
11. Additional investment in subsidiaries, joint ventures and associates of the Company.
12. Up gradation of/ Investment in technology and physical infrastructure and Expenditure on Research & Development of existing and new product.
13. Restrictions/covenants if any, contained in any lender agreement or any other arrangements.
14. Any other relevant factors as deemed fit by the Board of Directors.

**EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND:**

**External factors:**

- (i) Economic Environment.
- (ii) Capital Markets.
- (iii) Global Conditions.

For GRM Overseas Limited

  
Director

- (iv) Any political, tax and regulatory changes in the geographic in which the Company operates.
- (v) Any other relevant factors as deemed fit by the Board of Directors.

#### **POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED**

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure, working capital, general corporate purposes including contingencies,
- 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. Any other permitted usage as per the Companies Act, 2013.

#### **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:**



Company has issued only Equity Shares at this point of time. In future, if different classes of shares are issued, the parameters to be adopted with regard to those classes shall be decided accordingly.

#### **REVIEW AND AMENDMENT**

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy will be available on the Company's website and the link to the policy is: [grmrice.com](http://grmrice.com).

For GRM Overseas Limited

  
  
Director