

DIVIDEND DISTRIBUTION POLICY OF ROX HI-TECH LIMITED

(Approved by Board on its meeting held on July 25, 2023)

1. Background

The Dividend Distribution Policy ("Policy") is formulated by **ROX HI-TECH LIMITED** ("the **Company**") in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, and shall act as guidance to the board or company during the recommendation or declaration of dividends.

2. Objective

It establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The objective of this policy is to lay out the criteria and parameters that are to be considered by the Board of Directors of the company when deciding on the declaration or recommendation of a dividend from time to time. This policy is applicable to all dividends declared or recommended on the equity shares of the company, including interim dividends and final dividends.

3. Parameters to be considered for declaration of Dividend.

The Board of Directors of the company will consider the following parameters when recommending or declaring a dividend:

3.1 Financial Parameters / Internal Factors:

1. Standalone / net operating profit after tax.
2. Operating cash flow of the company for the year.
3. Liquidity position, aggregate debt of the company (both standalone and consolidated), debt service coverage position, etc.
4. Loan repayment and working capital requirements.
5. Capital expenditure requirements.
6. Resources required for funding acquisitions, mergers and / or new businesses.
7. Cash flow required for meeting tax demands and other contingencies.
8. Regulatory (and growth requirement of) Capital Adequacy.
9. Regulatory (and growth requirement of) Solvency.
10. Trend of dividends paid in the past years.
11. Dividend receipts from subsidiaries
12. Any windfall, extraordinary, or abnormal gains made by the company and
13. Any other factor not explicitly covered above but which is likely to have a significant impact on the company.

3.2 External Factors:

1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws, including tax laws, and changes made to accounting standards.
2. Dividend pay-out ratios of companies in the same industry.
3. Any other factor that has a significant influence / impact on the company's working / financial position of the company.

The Board of Directors may additionally recommend a special dividend in special circumstances.

4. Circumstances under which the shareholders may not expect Dividend

The shareholders of the company may not expect a dividend under the following circumstances: /tax demands / or others, adversely impacting free cash flows.

4.1 In the event of inadequacy of profits or whenever the Company has incurred losses.

4.2 Significant cash flow requirements towards higher working capital requirements

4.3 An impending / ongoing Capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital.

4.4 Allocation of cash required for buy-back of securities and

4.5 Any of the above-referred internal or external factors restraining the company from considering a dividend.

4.6 In any other circumstances where the board, in its judgment, determines the declaration of dividends to not be in the best interests of the company and the shareholders.

5. Utilization of retained earnings

The company may declare dividends out of the profits of the company for the year, out of the profits of any previous year or years, or out of the free reserves available for distribution of dividends, after having due regard to the parameters laid down in this policy. Profits retained in the business will be invested in the business and operations of the company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditures or acquisitions, and all other corporate purposes.

In the event of any conflict between this Policy and the provisions contained in the Companies Act and / or the Listing Regulations, the Companies Act and / or the Listing Regulations shall prevail.

This Policy shall be reviewed periodically by the Board. Any changes, revisions or amendments to this Policy will be carried out with the approval of the Board and will be communicated to shareholders in a timely manner.

This Policy will be available on the Company's website and the link to this Policy is www.netwebindia.com. This Policy will also be disclosed in the Company's annual report.

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.

6. Parameters to be adopted with regards to various classes of shares

At present, the authorized, issued, subscribed to, and paid-up share capital of the company consists only of equity shares.

Currently, the company has issued one class of equity shares with equal voting rights. As and when the company issues different classes of shares, the Board of Directors may suitably amend this policy.

7. Procedure

7.1 The dividend proposal placed before the Board for consideration shall be in terms of this policy.

7.2 The company shall ensure compliance with the provisions of applicable laws and this policy in relation to dividends declared by the company.

8. Disclosure

The company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time.