ELCID INVESTMENTS LIMITED

DIVIDEND DISTRIBUTION POLICY

Approved on: August 13, 2026

INTRODUCTION

This Dividend Distribution Policy ("Policy") is framed in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time.

The Company is registered as a Non-Banking Financial Company ("NBFC") and is primarily engaged in the business of making strategic and financial investments in securities, shares, mutual funds and other financial instruments. The profits and cash flows of the Company are substantially dependent upon income arising from such investments including dividend income, interest income, profit on sale of investments and fair valuation gains.

The objective of this Policy is to establish the parameters and circumstances to be considered by the Board of Directors of the Company while determining the declaration or recommendation of dividend to shareholders and to ensure an appropriate balance between distribution of profits to shareholders and retention of earnings for growth, liquidity, regulatory compliance and long-term value creation.

This Policy shall apply to both Interim Dividend and Final Dividend declared/recommended by the Company. As part of its responsibilities, the Company is required to disclose this Policy in its annual report as well as on its website.

DEFINITIONS

Unless the context otherwise requires:

a) "Act" means the Companies Act, 2013 and the Rules made thereunder.

b) "Board" means the Board of Directors of the Company.

c) "Dividend" includes Interim Dividend and Final Dividend.

d) "Final Dividend" means dividend recommended by the Board and approved by shareholders at the Annual General Meeting.

e) "Interim Dividend" means dividend declared by the Board between two Annual General Meetings.

f) "Net Worth" shall have the meaning assigned under the applicable provisions of the Companies Act, 2013 and RBI regulations applicable to NBFCs.

g) "Policy" means this Dividend Distribution Policy.

h) "Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Words and expressions used but not defined herein shall have the meanings assigned to them under the Companies Act, 2013, SEBI Listing Regulations and applicable RBI directions.

OBJECTIVE OF THE POLICY

The Policy aims to:

- ensure a fair and consistent approach to distribution of profits;
- balance the expectations of shareholders and the Company's future financial requirements;
- ensure adequate liquidity and capital adequacy;
- comply with applicable legal and regulatory requirements;
- support sustainable long-term growth of the Company.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board shall endeavour to distribute profits in a prudent manner while maintaining financial flexibility.

Shareholders may expect dividend subjects to:

- availability of distributable profits;
- adequacy of cash flows;
- financial performance of the Company;
- compliance with applicable laws and regulatory requirements;
- investment and funding requirements of the Company.

However, the Company may decide not to declare dividend under certain circumstances including, but not limited to:

- inadequacy or absence of profits;
- significant capital erosion or adverse market conditions;
- requirement of funds for existing or proposed investments;
- preservation of liquidity due to volatility in capital markets;
- regulatory restrictions or adverse observations from regulators;
- existence of contingent liabilities or material uncertainties;
- adverse economic or geopolitical developments;
- need for strengthening the balance sheet or reserves.
- Any of the above-mentioned factors, including any regulatory restriction, if any, restraining the Company from considering dividend;

FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

1. **Internal Factors**:

   While considering declaration/recommendation of dividend, the Board may take into account the following internal factors:

   - Net Profits earned during the year;
   - dividend income and returns from investments;
   - retained earnings and accumulated reserves;
   - liquidity position of the Company;
   - availability of free cash for distribution.
   - future investment opportunities/business expansion;
   - Funding requirements for capital expenditure, other business needs;
   - strategic acquisitions or investments;
   - long-term growth objectives.
   - Investments in subsidiaries/associates of the Company;
   - compliance with RBI norms applicable to NBFCs;
   - capital adequacy and leverage position;
   - impact on net worth and reserves;
   - expectations of shareholders;
   - consistency and stability in dividend payout;
   - overall return to shareholders.
   - Any other factor as deemed fit by the Board.

2. **External Factors**

   The Board may also consider the following external factors while determining dividend:

   - prevailing economic and market conditions;
   - volatility in equity and debt markets;
   - interest rate and inflation trends;
   - global geopolitical developments;
   - changes in taxation laws;
   - changes in RBI, SEBI or other regulatory framework;
   - industry outlook and macroeconomic conditions;
   - availability and cost of external funding.
   - Global and domestic Inflation rate
   - Other factors and/or material events which the Board of Directors may consider necessary to consider from time to time.

PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Presently, the Company has only one class of equity shares. Accordingly, the entire distributable surplus, as may be determined by the Board, shall be distributed equally amongst all equity shareholders in proportion to their shareholding.

If the Company issues any other class of shares in future, the Board may suitably amend this Policy.

DIVIDEND PAYOUT RANGE

The Board shall endeavour to maintain a reasonable and consistent dividend payout over the long term.

However, considering the nature of the Company's investment business, market-linked income streams and fluctuations in capital markets, the dividend payout ratio may vary from year to year depending upon:

- realized profits and cash flow;
- investment opportunities;
- Business expansion for future prospects
- regulatory considerations;
- market conditions; and
- strategic business requirements.

Accordingly, the Company does not prescribe any fixed payout ratio or minimum dividend commitment under this Policy.

UTILISATION OF RETAINED EARNINGS

The Company maintains sufficient amount of retained earnings to address the financing of working capital, capital expenditure, corporate actions, inter alia, buyback and reduction of capital, and unanticipated and emergency expenditures. The Company may also use the retained earnings for such purposes as are within the provisions the Act, Rules, Listing Regulations and any other applicable law.

PAYMENT OF THE DIVIDEND

The declaration and payment of dividend shall be made in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws and regulations.

While recommending dividends, the Board of Directors shall consider the Company's financial performance, profitability, liquidity position, future capital requirements, business plans, and relevant internal and external factors.

However, the Board may recommend a higher or lower dividend payout after considering the business requirements and overall economic and market conditions.

The Board may declare interim dividend and/or recommend final dividend to the equity shareholders at such rate as may be considered appropriate from time to time. The final dividend recommended by the Board shall be subject to the approval of the shareholders at the Annual General Meeting. The Board may also declare or recommend special dividend(s), whenever considered appropriate, in addition to the aforesaid payout range.

DISCLOSURE

This Policy shall be disclosed on the website of the Company, and a web-link thereto shall be provided in the Annual Report of the Company in accordance with applicable laws.

REVIEW AND AMENDMENT

The Board reserves the right to review, modify or amend this Policy from time to time in line with changes in applicable laws, regulations, business requirements or financial position of the Company.

DISCLAIMER

This Policy shall not be construed as a commitment regarding payment of dividend. The declaration and payment of dividend shall at all times remain at the discretion of the Board and subject to applicable laws and availability of distributable profits and cash flows.