



SPORTKING INDIA LIMITED

Dividend Distribution Policy

(Amended version as approved by the Board of Directors of the Company at its Meeting held on November 11, 2025)



1. PHILOSOPHY

Sportking India Limited practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the shareholders' in the Company through various means. The Company firmly believes that driving growth creates maximum shareholder value. The Board of Directors (the "Board") of Sportking India Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") under Regulation 43A Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits

2. OBJECTIVE

The objective of this Policy is to reward the shareholders of the Company by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for future growth of the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time. Through this Policy, the Company would endeavour to maintain a consistent approach to Dividend pay-out

The Policy shall not apply to:

- a. Determination and declaring dividend on preference shares (if any), as the same will be as per the terms of issue approved by the shareholders;
- b. Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- c. Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

The parameters set out in the policy are applicable for declaration of both Interim Dividend and Final Dividend.

3. EFFECTIVE DATE

The Policy shall come into force with effect from the date SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 taking effect with respect to the Company.

4. DEFINITIONS

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.



2. **"Applicable Laws"** shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
3. **Board or Board of Directors** shall mean the Board of Directors of the Company
4. **"Company"** shall mean Sportking India Limited and wherever the context requires, shall signify the Company acting through its Board.
5. **"Dividend"** shall mean Dividend as defined under Companies Act, 2015.
6. **"Financial Year"** shall mean the period beginning from 1st April of every year to 31 March of the succeeding year.
7. **"Policy"** or this Policy shall mean this Dividend Distribution Policy and as may be amended from time to time,
8. **"SEBI Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s)

5. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following

- I. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the CFO, and other relevant factors.
- II. The Board may also, where appropriate, aim at distributing dividends in kind, subject to applicable law, in form of fully or partly paid shares or other securities

6. PROCEDURE

The Act provides for two types of Dividend - Final & Interim. The final Dividend is paid once for the Financial Year after the annual accounts are prepared. The Board of Directors shall have the power to recommend the final Dividend to the shareholders for their approval in the Annual General Meeting of the Company. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.



The Board of Directors shall have the absolute power to declare interim Dividend during the Financial Year, as and when they consider it fit. Before declaring interim Dividend, the Board shall consider the financial position of the Company that allows the payment of such Dividend, In case no Final Dividend is declared, interim Dividend paid during the year, if any, will be regarded as final dividend at the annual general meeting.

Pursuant to the provisions of Applicable Laws and this Policy, Interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders, approval, at the ensuing annual general meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

7. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OF MAY NOT EXPECT DIVIDEND

The shareholders of the Company may or may not expect Dividend under the following circumstances;

- i. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital
- ii. Significant higher working capital requirements adversely impacting cash flow.
- iii. Whenever it undertakes any acquisitions or restructuring or joint ventures requiring significant allocation or reduction of capital.
- iv. Whenever it proposes to utilise surplus cash for buy back of securities or
- v. In the event of inadequacy of profits or whenever the Company has incurred losses.

8. PARAMETERS FOR DECLARATION OF DIVIDEND

➤ Financial Parameters/Internal Factors;

Subject to the provisions of the Act, Dividend shall be declared or paid only out of:

- i. Current Financial Year's profit
 - a. After providing for depreciation in accordance with law;
 - b. After transferring to reserves such amount as may be prescribed under the Act or as may be otherwise considered appropriate by the Board at its discretion.
- ii. The profits for any previous Financial Year(s):
 - a) After providing for depreciation in accordance with law;
 - b) Remaining undistributed; or



iii. Out of i) & ii) both

The Board of Directors of the Company would consider the following financial parameters / internal factors before declaring or recommending Dividend to shareholders:

- i. Profits earned during the year
- ii. Capital expenditure requirement
- iii. Past performance / Dividend history of the Company
- iv. Resources required to fund acquisitions and/or new businesses;
- v. Cash Flow required to meet operations borrowings;
- vi. Cost of borrowing and outstanding borrowing;
- vii. Return on capital invested & post Dividend EPS;
- viii. Additional investments in subsidiaries / associates of the Company;
- ix. Any other factor as deemed fit by the Board.

➤ **External factors**

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to the shareholders;

i. State of Economy

In case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profit to build up reserves to absorb future contingencies

ii. Statutory Requirement

Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including taxation.

9. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the shareholders in the long run.

The decision of utilization of the retained earnings of the Company shall be based on the following factors in addition to factors stated in this Policy:

- Market expansion plan;
- Product expansion plan;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- cost of debt;
- Other such criteria as the Board may deem fit.



10. PARAMETERS TO BE ADOPTED FOR VARIOUS CLASSES OF SHARES

Presently, the Company has issued only one class of equity shares with equal voting rights. Accordingly, all members of the company are entitled to receive the same amount of dividend per equity share. The Policy shall be suitably revisited at the time of issue of any new class of shares subject to statutory provisions.

11. DISCLOSURE

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company

12. AMENDMENTS TO THE POLICY

This Policy has been embraced and adopted by the Board voluntarily for effective corporate governance. However, the Policy would be subject to modification in accordance with the statutory provisions and applicable guidelines as may be applicable from time to time.

13. DISCLAIMER

This document does not solicit investments in the Company's securities nor it is an assurance of guaranteed returns (in any form), for investment in the Company's equity shares.