
DIVIDEND DISTRIBUTION POLICY

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1. PREAMBLE

This policy applies to the distribution of dividend by IndiaMART InterMESH Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), as amended from time to time.

The Policy is approved and adopted by the Board of Directors on July 31, 2019 and shall be applicable in accordance with the provisions of SEBI Regulations.

2. DEFINITIONS

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Regulations.

3. BACKGROUND

This Policy is framed in accordance with the requirement under Regulation 43A of the SEBI Regulations, 2015 (including any amendments thereof).

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company while balancing the objectives of rewarding the shareholders through dividends and retaining capital to invest in the growth of Company. The Board of Directors may, in extraordinary circumstances, deviate from the parameters listed in this policy.

This policy shall cover all types of dividends including but not limited to interim dividend and final dividend.

4. KEY CONSIDERATIONS FOR DIVIDEND DECLARATION

a. Shareholder Expectations :

The Company shall comply with the relevant statutory requirements that are applicable to the Company in relation to the declaration of dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

b. The financial /internal parameters that shall be considered while declaring dividend:

The Board of Directors of the Company shall consider the following financial parameters while declaring a dividend or recommending dividend to shareholders:

- Capital allocation plans including:
 - Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;

- Investments required towards execution of the Company's strategy;
- Funds required for any acquisitions that the Board of Directors may approve;
- Fresh investments in subsidiaries and external businesses; and
- Any share buy-back plans.
- Minimum cash required for contingencies or unforeseen events;
- Profits earned and available for distribution during the financial year;
- Accumulated Reserves including Retained Earnings;
- Past Dividend trend including Interim dividend paid, if any;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments.

c. External factors that shall be considered for declaration of dividend:

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political and regulatory changes in the geographies in which the Company operates;
- Dividend distribution tax or any tax deduction at source as required by tax regulations in India, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

d. Circumstances under which a Dividend may not be paid out:

Some conceivable circumstances under which shareholders may not expect a dividend are:

- Adverse market conditions and business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance; and
- Large forthcoming capital requirement which are best funded through internal accruals; etc.

e. Policy as to how the retained earnings shall be utilized:

The consolidated profits earned by the Company can either be retained in the business or

used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

f. Provisions in regard to various classes of shares:

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has currently issued only one class of shares, namely, Equity Shares.

5. REVIEW LIMITATION AND AMENDMENT

This Policy shall be reviewed from time to time as and when required by the Board of Directors to ensure it meets the requirements of legislation and the needs of Company.

In the event of any conflict between the Companies Act, 2013 or the Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy and will be ratified subsequently by the Board of Directors.