



FRACTAL ANALYTICS LIMITED

DIVIDEND DISTRIBUTION POLICY

This policy has been formally adopted and approved by Board of Directors of the Company ("Board") in their meeting held on August 08, 2025.

DIVIDEND DISTRIBUTION POLICY

I. BACKGROUND

This Dividend Distribution Policy (“**the Policy**”) applies to the distribution of dividend by Fractal Analytics Limited (“**the Company**”) and has been formulated in accordance with the provisions of the Companies Act, 2013 (“**the Act**”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations/LODR**”).

This Policy has been approved by the board of directors (“**Board**”) of the Company at its meeting held on August 8, 2025, being the effective date of this Policy.

The Policy will come into effect from the date of commencement of trading and listing of the equity shares of the Company on recognised stock exchange(s) in India.

II. OBJECTIVES

The objective of this Policy is to establish broad parameters and factors to be considered by the Board of Directors (“**the Board**”) of the Company before declaring or recommending dividend while appropriately balancing the need of the Company to retain resources for the Company’s growth and sustainability.

The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution of or retention of profits, in the interest of providing transparency to the shareholders.

III. DEFINITIONS

In this Policy:

- a) “**Act**” means the Companies Act, 2013, the rules made thereunder and any amendment(s) or modification(s) or circular(s) or notification(s) or rules or order(s) thereof made.
- b) “**Applicable Law**” shall mean the Act and rules made thereunder, as amended from time to time, the SEBI Listing Regulations, together with the circulars issued thereunder; and such other act, rules or regulations which deals with the distribution of dividend.
- c) “**Company**” shall mean Fractal Analytics Limited (previously known as Fractal Analytics Private Limited).
- d) “**Board**” or “**Board of Directors**” shall mean board of directors of the Company.
- e) “**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Terms used herein and not defined in this Policy shall have the same meaning respectively assigned to them in the Act/Applicable Laws.

IV. CATEGORY OF DIVIDENDS

The Company may, subject to its articles of association, declare and/or pay dividends in proportion to the amount paid-up on each share. The Act provides for two forms of Dividend - final and interim. The Board shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

• Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board has the power to recommend the payment of final dividend, subject to approval of the shareholders of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the annual general meeting of the Company.

- **Interim Dividend**

This form of dividend can be declared by the Board one or more times in a financial year as may be deemed fit by it. The Board would declare an interim dividend, as and when considered appropriate, in line with this Policy and in accordance with Applicable Laws.

The declaration and payment of dividend shall, at all times, be in accordance with the provisions of the Act and Listing Regulations read with rules thereunder and such other applicable regulations for time being in force (“**Applicable Laws**”).

The Board at its discretion, may additionally recommend a special dividend under certain circumstances such as extraordinary profits from sale of investments etc.

V. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- The Company may not distribute a dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits/ cash balances, adverse market conditions and business uncertainty or large forthcoming capital requirement which are best funded through internal accruals. Further, if one or more of the parameters for recommendation of dividend is not fulfilled by the Company, including any regulatory restriction placed on the Company on declaration of dividend, or if the Board is of the view that it would be prudent to conserve capital for expansion of business growth or other exigencies, which shall be stated by the Board, dividend may not be declared or may declare reduced dividends.

VI. PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board shall consider, *inter-alia*, the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned and available for distribution during the financial year
- Accumulated reserves including retained earnings
- Mandatory transfer of profits earned to specific reserves, such as debenture redemption reserve, etc., if any
- Net profit earned during the financial year as per the consolidated financial statements
- Cash flows
- Current and projected cash balances and Company’s working capital requirements
- Upgradation of technology and physical infrastructure
- Earning stability
- Debt repayment schedules, if any
- Fund requirement for contingencies and unforeseen events with financial implications
- Dividend payout trends
- Any other relevant factors and material events

The Board shall consider, *inter-alia*, the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment: Significant changes in macro-economic environment materially affecting the business in which the Company is engaged including the geographies in which the Company operates.
- Regulatory changes: Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements (both domestic and global), which significantly affect the business in which the Company is engaged.
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- State of economy: In case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

- Other factors like contractual restrictions
- Any other relevant factors and material events.

VII. UTILIZATION OF RETAINED EARNINGS

Retained earnings shall be utilized in a manner in line with the objects of the Company as detailed in Memorandum of Association of the Company which is beneficial to the interests of the Company and also its shareholders. The retained earnings may be utilized by the Company for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board. In absence of any viable growth opportunity (organic / inorganic), the Company shall utilize retained earnings for reducing its debt obligations. In absence of the opportunity to utilize retained earnings in any of the above options, as an exception, the Board may use the larger portion of profits to distribute amongst the shareholders as dividend.

VIII. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

The Company may be restrained to declare dividends in following circumstances:

- **Inadequate profits:** If during any financial year, the profits of the Company are not adequate, the Board may decide not to recommend any dividend for that year.
- **Dividend not to be declared out of reserves:** As a rule, dividend for any particular financial year shall be recommended or paid out of the profit of that financial year and the Board shall not declare or recommend any dividend out of the reserves, except for reasons to be expressly laid down,.

IX. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- **Entitlement:** The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per Statutory Guidelines.
- **Timelines:** The payment of dividend(s) will be made, in the manner and within the time as may be prescribed under applicable statutory guidelines.

X. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Applicable Laws, the provisions of Applicable Laws shall prevail.

XI. DISCLOSURE

This Policy shall be disclosed on the Company's website at www.fractal.ai, and the weblink shall also be included in the Company's annual reports. If the Company proposes to declare dividend on the basis of parameters in addition to the parameters laid out in this Policy, or proposes to change such additional parameters or the policy contained in any of the parameters, the Company shall disclose such changes along with the rationale for the same in its annual report and on its website.

XII. AMENDMENTS

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. Any subsequent amendment/modification in Applicable Law in this regard shall automatically apply to the Policy.

XIII. REVIEW OF POLICY

The Board can review and amend this Policy, as and when deems fit.