OnEMI TECHNOLOGY SOLUTIONS PRIVATE LIMITED

DIVIDEND DISTRIBUTION POLICY

Document Management

Document Name	Dividend Distribution Policy
Original document Date	July 08, 2025
Review Date	-
Approved by	Board of Directors ("**Board**")
Issue and Effective Date	July 08, 2025

1. PREAMBLE

OnEMI Technology Solutions Limited is a company, incorporated under the provisions of the Companies Act, 2013, Corporate Identification Number (CIN) U72900MH2016PTC282573 and having its registered office at 10th Floor, Tower 4, Equinox Park, LBS Marg, Kurla West Mumbai 400070 Maharashtra India ("OnEMI" or "Company"). The Company is, inter alia, engaged in the business of (i) providing financial technology solutions to enable use of instant EMI / instalment solutions to consumers, and in providing the technology platform to enable the above, (ii) providing customer acquisition services and loan origination services to financiers/lending partners.

In pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the “**Listing Regulations**”), it is mandatory to have a Dividend Distribution Policy in place by the top one thousand listed companies based on the market capitalisation calculated as on March 31, every financial year, and which shall be disclosed on their website and in their annual reports.

Accordingly, the Board of directors (the “**Board**”) of ONEMI Technology Solutions [Private] Limited (the “**Company**”) has adopted and formulated Dividend Distribution Policy (“Policy”) , in compliance with the requirements of the SEBI Listing Regulations.,. The Policy will be become effective upon its approval by the Board of Directors.

2. DEFINITIONS

The terms referred to in this Policy will have the same meaning as defined under the Companies Act, 2013 (the “**Act**”) and the rules made there under and the Listing Regulations.

3. SCOPE AND OBJECTIVE

The objective of this Policy is to lay down the parameters to be considered by the Board before declaring or recommending dividend to its shareholders for the financial year. Dividend for the purpose of this Policy shall include Interim Dividend. The Policy aims to enhance the shareholders wealth by maintaining the dividend yield in balance with the organization’s requirement of internal accruals for continuous growth and sustainability..

Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy covers the following:

a. Dividend to Equity Shareholders of the Company:

   The Dividend will be distributed equally among all the equity shareholders based on their shareholding on the record date. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

b. Interim Dividend:

Interim Dividend(s), if any, shall be declared by the Board.

In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting (“**AGM**”).

c. Final Dividend:

Recommendation, if any, shall be made 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 dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

4. PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

The Board shall consider following financial/ internal and external parameters, factors and circumstances before declaring or recommending dividend:

a. **<u>Financial/ Internal Factors</u>:**

The Board shall consider following financial/ internal factors:

- Company’s liquidity position including its present and expected obligations.
- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Present and future capital expenditure plans of the Company including organic / inorganic growth opportunities.
- Financial commitments with respect to the outstanding borrowings and interest thereon.
- Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
- Past dividend trend of the Company and the industry.
- Cost of borrowings.
- Capital restructuring, debt reduction, capitalisation of shares
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.

- Earning stability
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.
- Other corporate action options (For example, Bonus issue, Buy back of shares).
- Any other relevant or material factor as may be deemed fit by the Board.

b. **External Factors:**

The Board shall consider following external factors:

- Economic environment, both domestic and global
- Unfavourable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing
- Any other relevant or material factor as may be deemed fit by the Board.

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

a. In the event of 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.
b. the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
c. the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
d. the Company has significantly higher working capital requirement affecting free cash flow.
e. the Company proposes to utilize surplus cash for buy- back of securities;
f. the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters in afore-mentioned para.

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. Any decision in this regard shall be reflected in the Annual Report and website of the Company while declaring/ recommending dividend.

6. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

a. Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.

b. Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

7. MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings shall be deployed in line with the objects of the Company as detailed in Memorandum of Association of the Company. The Company shall endeavour to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and also its shareholders.

The decision of utilization of the retained earning shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, market expansion plan, Product expansion plan, modernization plan, diversification opportunities, Balancing the Capital Structure by de-leveraging the Company, Payment of Dividend or issue of Bonus Shares or any other criteria that may be considered relevant by the Board in this regard.

8. PARAMETERS FOR DIVIDEND WITH REGARD TO VARIOUS CLASSES OF SHARES

- Preference shareholders shall receive Dividend at the fixed rate as per the terms of allotment and shall stand in priority to the equity shareholders for payment of Dividend.

- Equity shareholders shall be entitled for the Dividend, interim or final, if recommended by the Board of Directors and confirmed and approved by the shareholders of the company, as the case may be. Equity Dividend shall stand the second in priority after payment of Dividend to the Preference shareholders, if any.

9. POLICY REVIEW AND AMENDMENTS:

The Board may, from time to time, make amendment(s) to this Policy to the extent required due to change in applicable laws and / or regulations or as deemed fit on a review.

10. OMNIBUS CLAUSE:

All extant & future directions/guidance issued by regulatory authorities from time to time would be the directing force and will super cede the contents of this policy.