



Fusion CX Limited

DIVIDEND DISTRIBUTION POLICY

Document Control Information

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Corporate Details	Fusion CX Limited (CIN: U72900WB2004PLC097921) Y9, Street No. 13, EP Block, Sector V, Bidhannagar, Kolkata, West Bengal 700091
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1 Introduction

Regulation 43A of the SEBI (LODR) Regulations, 2015 requires the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed on the website of the listed entity, and a weblink shall also be provided in their annual reports. The other listed companies may disclose their dividend distribution policies voluntarily on their websites and provide a web link in their annual reports.

The Board of Directors (“the Board”) of Fusion CX Limited (“the Company”) has adopted the following policy voluntarily, and the Board may amend this policy from time to time.

2 Objectives of the Policy

This policy's objective is to establish parameters (including internal and external factors) that the company's Board of Directors will consider before declaring or recommending dividends. The Policy ensures transparency by setting out circumstances and factors for the distribution or retention of profits.

3 Definitions:

In this Policy:

- a) **Act** means the Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made thereunder.
- b) **Applicable Laws** shall mean the Companies Act, 2013 and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, together with the circulars issued thereunder; and such other act, rules or regulations which deal with the distribution of dividend.
- c) **Board or Board of Directors** shall mean Board of Directors of the Company.
- d) **Dividend** includes interim dividend.
- 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.

4 Parameters to be Considered Before Recommending Dividend

4.1 Circumstances Under Which the Shareholders May or May Not Expect Dividend

The Board of Directors of the Company, while declaring or recommending dividends, shall ensure compliance with statutory requirements under applicable laws, including the provisions of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015. The shareholders of the Company may expect dividends only if the Company has adequate profits after complying with all other statutory requirements under the Applicable Laws.

Subject to the discretion of the Board, the shareholders of the Company may not expect dividends in the following circumstances:

- In case of inadequacy of profits or whenever the Company has incurred losses;
- Whenever the Company undertakes or proposes to undertake any significant business expansion/investment/acquisitions;
- Significant working capital requirement affecting free cash flow;
- Whenever the Company proposes to utilize surplus cash for buy-back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- Whenever declaration of dividend is prohibited by any regulatory body.

4.2 Financial Parameters

The Board of the Company shall consider 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 the Company's working capital requirements.
- Earnings outlook for the next two to three years.
- Availability of adequate cash reserves for future growth and expansion plans.
- Long-term investment proposals, capital restructuring, debt reduction.
- Crystallization of contingent liabilities of the Company.
- Dividend payout trends.
- Fund requirement for contingencies and unforeseen events with financial implications.
- Banking Covenants and Ratios.
- Credit rating and its upgrade.
- Return on assets and return on equity.
- Earnings per share.
- Capital adequacy ratios.
- Liquidity ratios.

4.3 Internal and External Factors

(i) Internal Factors:

The following are the internal factors to be considered while declaring or recommending dividend:

- Brand/Business Acquisitions.
- Additional investments in subsidiaries of the Company.
- Expected future capital/expenditure requirements of the Company.
- Past Dividend trend including Interim dividend paid, if any.
- Any other relevant factors and material events.

(ii) External Factors

The following are the external factors to be considered while declaring or recommending dividends:

- Macroeconomic environment: Significant changes in the macroeconomic environment materially affect the Company's business, including its geographies.
- Regulatory changes: The introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements (both domestic and global) that significantly affect the business in which the Company is engaged.



- Technological changes.
- State of economy: In case of uncertain or recessionary economic and business conditions, the Board will endeavor 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.

4.4 Utilization Of Retained Earnings

The Company shall endeavor to utilize retained earnings in a manner beneficial to the interests of the Company and its shareholders. The retained earnings may be utilized by the Company for making investments for future growth and expansion plans, for generating higher returns for the shareholders, or for any other specific purpose, as approved by the Board. In the absence of viable growth opportunities (organic/inorganic), the retained earnings may be used to reduce debt obligations or distributed amongst shareholders as dividends.

4.5 Parameters that Shall be Adopted with Regard to Various Classes of Shares

The dividend payments in respect of shares other than equity shares, if any, shall 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.

5 Category Of Dividends & Procedure For Dividend Declaration:

5.1 Interim Dividend

The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half-yearly) financial accounts.

5.2 Final Dividend

The Board shall have the power to recommend the payment of final dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.



5.3 Dividend Range

Subject to the provisions of applicable laws, the Company's dividend payout will be determined based on the availability of financial resources, investment requirements, and also taking into account optimal stakeholder return.

5.4 Procedure

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal. 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 with the provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

6 Review / Amendment:

The Board can amend this Policy, as and when deemed fit. Any amendments to the Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7 Compliance Responsibility

Compliance with this Policy shall be the responsibility of the Chief Financial Officer and the Company Secretary of the Company, who shall have the power to ask for any information or clarifications from the management in this regard.

8 Disclosure

This Policy shall be disclosed on the Company's website and the weblink shall also be included in the Company's annual reports. If the Company proposes to declare dividend based on



parameters in addition to those laid out in this Policy, or proposes to change such additional parameters, the Company shall disclose such changes along with the rationale in its annual report and on its website.

9 Conflict in Policy

In the event of any conflict between the Companies Act, 2013, SEBI regulations, or other statutory enactments (“Regulations”) and the provisions of this Policy, the Regulations shall prevail.

10 Effective Date

This Policy shall be effective immediately from 11th April, 2025.

Date: 11th April, 2025

Place: Kolkata