

Online Instruments (India) Limited
(Formerly Online Instruments (India) Private Limited)

Dividend Distribution Policy

1. PREAMBLE

This Dividend Distribution Policy is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the “**Listing Regulations**”). The Board of Directors of Online Instruments (India) Limited (formerly known as Online Instruments (India) Private Limited) (the “**Company**”), (hereinafter referred as “**the Board**” or “**Board of Directors**”), in its **meeting held on March 10, 2026**, has approved the Dividend Distribution Policy of the Company (“**the Policy**”). This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder, or other factors as may be considered relevant by the Board.

2. COMMENCEMENT

This Policy shall come into force with effect from listing of the Company on recognized stock exchange(s).

3. OBJECTIVES

The Company is aimed at maximization of shareholders’ value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach to dividend declaration.

4. DEFINITIONS

“**Board of Director**” or “**Board**” means the Board of Directors of Online Instruments (India) Limited (Formerly Online Instruments (India) Private Limited), as constituted from time to time.

“**Company**” means Online Instruments (India) Limited (Formerly Online Instruments (India) Private Limited).

“**Policy**” means this policy on Dividend Distribution as amended from time to time.

“**SEBI Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

“Financial Year” shall mean the period starting from 1st day of April and ending on 31st day of March every year.

5. DIVIDEND

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and SEBI Listing Regulations as amended from time to time.

Dividend is the amount paid by the Company out of profits, to its shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

Interim Dividend

- (a) The Board of Directors of the Company shall declare the interim dividend during the Financial Year, as and when they consider it fit to so declare.
- (b) The interim dividend can be declared by the Board of Directors one or more times in a Financial Year and normally, the Board may consider the declaration of interim dividend after the finalization of the quarterly/half yearly financial statements of the Company.
- (c) The interim dividend, if declared, shall be paid to the eligible shareholders, as per provisions of the Companies Act, 2013, SEBI Listing Regulations and other laws, to the extent applicable. First interim dividend, if any, may be declared in the Board Meeting convened for approving financial statements for the 2nd quarter/half-year, and 2nd interim dividend, if any, may be declared at the time of approving financial statements for the 3rd quarter of the Financial Year.
- (d) In case no final dividend is declared by the Company, interim dividend paid during the Financial Year, if any, shall be considered as final dividend at the annual general meeting of the Company.

Final Dividend

- a) The final dividend, if any, is paid once in a Financial Year after the preparation of the annual financial statements.
- b) The Board of Directors shall recommend the final dividend to the Shareholders for their approval in the annual general meeting of the Company. The declaration of final dividend, if any, shall be included in the Board's report and in the ordinary business items to be transacted at the annual general meeting of the Company.

- c) The final dividend shall be paid to the eligible shareholders subject as per provisions of the Companies Act, 2013, SEBI Listing Regulations and other laws, to the extent applicable.

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

The decision regarding dividend payout is a vital decision, as it determines the amount of the profit to be distributed among its shareholders and the amount of the profit to be retained in business for the future growth and modernization expansion plan of the Company. The Company would continue to adopt a progressive and dynamic dividend distribution policy to ensure its immediate and long-term requirements along with rewarding the Shareholders of the Company. Dividend for the Financial Year shall be decided/recommended by the Board, considering, statutory, economic, market, industry, external and internal factors.

The Company may not declare dividend or declare dividend at a lower rate under the following circumstances:

- a) in the event of the Company making losses or the profits are inadequate;
- b) where the Company is having requirement of funds for Capex requiring high capital allocation, working capital, repayment of loans taken in the past;
- c) inadequate availability of cash; and
- d) higher cost of raising funds from alternate sources
- 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.

It may be noted that declaration of dividend shall be subject to the provisions of Companies Act, 2013, SEBI Listing Regulations, Guidelines issued by Ministry of Corporate Affairs/Ministry of Finance or any other authority.

7. PARAMETERS FOR DIVIDEND DISTRIBUTION

The Board while considering payment of dividend for a Financial Year may, inter alia, consider the following factors:

- Profit for the Financial Year as well as general reserves of the Company;
- Projections of future profits and cash flows;
- Borrowing levels and the capacity to borrow including repayment commitments;
- Present and future capital expenditure plans, projects, joint ventures of the Company including various organic and inorganic growth avenues;
- Applicable taxes including tax on dividend;
- Compliance with the provisions of the Companies Act or any other statutory guidelines including guidelines issued by Government of India;
- Past dividend trend for the Company and the Industry;
- State of economy and capital markets;

- Any other factor as may be deemed fit by the Board;
- Past dividend pattern;
- Debt-equity ratio of the Company;
- Cost of borrowing of the Company, keeping in view the growth opportunities;
- Investments in new business;
- Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- Reputation of the Company;
- Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one-off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.

8. OTHER IMPORTANT INTERNAL AND EXTERNAL FACTORS TO BE CONSIDERED BY THE BOARD

The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholder's wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

8.1 Cash flow:

If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

8.2 Cost of borrowings:

The Board will analyse the requirement of necessary funds considering the long term or short-term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from external sources such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

8.3 Taxation and other regulatory concern

Dividend distribution tax or any tax deduction at source as required by tax regulations in India, as may be applicable at the time of declaration of dividend and its impact on the finances of the Company.

8.4 Macro-economic conditions

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the

management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

8.5 Past performance/ Dividend history and reputation of the Company

The standing of Company in the business space, its dividend payment history and the impact of the decision on overall reputation of the Company.

8.6 Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

9. DIVIDEND PAY-OUT RATIO

In keeping with the above and subject to applicable legal provisions, the Board shall determine the quantum/extent of dividend taking into account the "Overall Payout to Shareholders". It includes combination of interim/final dividend. Buyback of shares or such other routes including tax thereon, taken together. However, efforts should be made to maintain a dividend pay-out ratio as per guidelines of the Central Government, if any.

10. UTILISATION OF RETAINED EARNINGS

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilise the retained earnings for any of the following ways:

- Capital expenditure for working capital;
- Organic and/or inorganic growth;
- Investment in new business(es) or for future growth and expansion plans;
- Additional investment in existing business(es);
- Declaration of dividend;
- Capitalisation of shares;
- Buy back of shares;
- General corporate purposes, including contingencies;
- Debt obligations, as approved by the Board of Directors of the Company, and
- Any other permitted usage as per the Companies Act, 2013

Retained earnings will generally be used to strengthen the financial position of the Company and will be used for declaration of dividends in special circumstances including maintenance of dividend rate.

11. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES:

Presently, the issued share capital of the Company comprises of only one class of equity shares of face value of ₹ 2 each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

12. GENERAL

In the event of the Policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy, and the policy shall be construed to be amended accordingly from the effective date of such provision.

13. REVIEW / AMENDMENT

The Board of Directors may review, amend and modify the policy at any point of time as it may deem necessary and/or as may be required from time to time in accordance with subsequent amendments in Companies Act, 2013, SEBI Listing Regulations, and other applicable statutes.

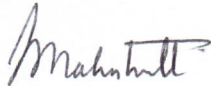
14. DISCLOSURE

The Policy shall be disclosed on the website of the Company, and a web-link shall also be provided in its annual reports every Financial Year. If Company proposes to declare dividend on the basis of parameters in addition to the ones listed in this Policy or proposes to change such additional parameters or the Policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

15. DISCLAIMER

This Policy does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

**For Online Instruments (India) Limited
(Formerly Online Instruments (India) Private Limited)**



Shivanand Mallappa Mahashetti
Managing Director
DIN: 01180544

For Online Instruments (India) Limited

Authorised Signatory

The Policy is adopted by the Board of Directors on March 10, 2026