INNOTERRA LIMITED

(FORMERLY KNOWN AS MILKLANE DAIRY SERVICES PRIVATE LIMITED)

CIN: U52101MH2015PLC269084

Website: www.innoterra.in

Dividend Distribution Policy

Date of Original adoption / Revision	Effective date of Policy
Adoption:	23-06-2026
Revision:	

1. PREAMBLE

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.

The board of directors (the "**Board**") of Innoterra Limited (formerly known as MilkLane Dairy Services Private Limited) (the "**Company**") has adopted and formulated Dividend Distribution Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company's website at www.innoterra.com

2. DEFINITIONS

The terms referred to in this policy ("**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. EFFECTIVE DATE

The Policy will come into effect on its adoption by the Board.

4. OBJECTIVES

The objective of this Policy is to establish the parameters (including internal and external factors) to be considered by the Board of the Company before declaring or recommending dividend. Through this Policy, the Company will endeavor to maintain fairness, consistency and sustainability while distributing profits to the shareholders of the Company in the interest of providing transparency to the shareholders.

5. CATEGORY OF DIVIDENDS

The Company may, subject to its articles of association, pay dividends in proportion to the amount paid-up on each share. The Act provides for two forms of Dividend- Final & 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 of the Company has 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 Board's report and the ordinary business items that are required to be transacted at the Annual General Meeting.

- 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 or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend. Further, such declaration of interim dividend shall be in line with this Policy.

By way of guidance, the Board may ordinarily consider an interim dividend after finalization of quarterly (or half yearly) financial accounts.

6. PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

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

a. **Statutory Requirements:** 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.

b. **Internal Factors:** The Board shall consider following internal factors:

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

i. Profits of the Company.

ii. Present and Future expenditure plans of the Company including organic / inorganic growth opportunities.

iii. Cost of borrowings and Financial commitments with respect to the outstanding borrowings & interest thereon.

iv. Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.

v. Past dividend trend of the Company and the Industry.

vi. Cash flows.

vii. Any other significant developments or corporate action (including but not limited to Bonus issue, Buy back of shares, capital restructuring, debt reduction and capitalisation of shares) that require cash investments.

viii. Any other relevant or material factor as may be deemed fit by the Board.

c. **External Factors:** The Board shall consider following external factors:

i. 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.
ii. 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.
iii. State of economy and capital markets.
iv. Any changes in the competitive environment requiring significant investment.
v. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
vi. Any other relevant or material factor(s) as may be deemed fit by the Board.

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

The decision regarding declaration and payment of dividend is an important decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having adequate profits after complying with all other statutory requirements under the Applicable Laws.

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

● in case of inadequacy of profits or whenever the Company has incurred losses;

● whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

● Whenever the Company undertakes to capitalize its profits/retained earnings by way of issuance of bonus shares.

● whenever the Company undertakes any acquisitions or joint arrangements requiring significant allocation of capital;

● significantly higher 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

● in case of being prohibited to recommend/declare dividend by any regulatory body;

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for any proposed or ongoing or planned business expansion or other factors which may be considered by the Board. The Policy does not constitute a commitment regarding the

future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the financial year and the Board reserves the right to depart from the Policy as and when circumstances warrant.

8. 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.

9. DISCLOSURE OF THE POLICY

This policy will be uploaded on the website of the Company in terms of Regulation 43A of the Listing Regulations.

10. CONFLICT OF 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.

11. AMENDMENT

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.

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