

CARLSBERG INDIA LIMITED
(Formerly Carlsberg India Private Limited)

Dividend Distribution Policy

Policy approval date: 29 May 2026

DIVIDEND DISTRIBUTION POLICY

I. DEFINITIONS

"Applicable Laws" shall mean the Companies Act, 2013 and rules made thereunder, the Income Tax Act, 2025 and rules made thereunder, the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the circulars issued thereunder; as amended from time to time and such other act, rules or regulations which deal with the distribution of dividends.

"Board" or **"Board of Directors"** means the Board of Directors of the Company.

"Companies Act" means the Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

"Company" means Carlsberg India Limited.

"Dividend" shall have the meaning assigned to it under Section 2(35) of the Companies Act and includes interim dividend.

"Financial Year" shall have the meaning assigned to it under Section 2(41) of the Companies Act, i.e., the period commencing on April 1 of a calendar year and ending on March 31 of the following calendar year.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Policy" shall mean this Dividend Distribution Policy of the Company.

Words and expressions used and not defined in this Policy but defined in the Companies Act, Listing Regulations or other Applicable Laws shall have the same meaning respectively assigned to them in those Applicable Laws.

II. PURPOSE AND SCOPE

Regulation 43A of the Listing Regulations mandates framing of a dividend distribution policy by the top 1,000 listed entities, based on market capitalisation (calculated as on March 31 of every Financial Year).

In view of the said requirement, the Board recognises the need to lay down a broad framework with regard to distribution of dividend to its shareholders and utilisation of the retained earnings. This Policy reflects the intent of the Company to reward its shareholders by declaring dividend, and seeks to establish the parameters (including internal and external factors) to be considered by the Board before declaring or recommending dividend.

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

The Company will strive to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes, and to maintain a consistent approach to dividend pay-out plans. The Company believes that driving growth through its unique business model in the alcoholic beverages sector is the key to maintaining a balance between creating value for the shareholders and ensuring growth of the Company.

Towards this end, the Company would utilise its profits first towards various business requirements such as expenditure to meet expansion, investment in technology infrastructure, reducing debt, maintaining optimum working capital, funds for inorganic growth opportunities, regulatory and statutory compliance costs (including state-specific excise and licensing requirements), and environmental, social and governance initiatives. The Board will have regard to this Policy while declaring/recommending dividends on behalf of the Company.

The Board in its meeting held on 29 May 2026 has approved and adopted this Policy.

The Policy shall become effective from the date of its approval by the Board.

III. DIVIDEND DISTRIBUTION

(A) CATEGORIES OF DIVIDEND

The Companies 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 to the shareholders in a general meeting 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.

Interim Dividend

This form of dividend can be declared by the Board one or more times in a Financial Year as it may deem fit, in line with the Companies Act and this Policy. The Board could consider declaring an interim dividend after finalisation of quarterly (or half yearly) financial accounts.

(B) CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

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

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

- (a) in case of inadequacy of profits or whenever the Company has incurred losses;
- (b) in case the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- (c) in case the Company undertakes any acquisitions or joint arrangements requiring significant allocation of capital;
- (d) in case of significantly higher working capital requirement affecting free cash flow;
- (e) in case the Company proposes to utilise surplus cash for buy-back of securities or setting off of previous year losses and depreciation not provided for of previous years, or losses of its subsidiary/ies;
- (f) in case the Company is restricted from declaring or recommending dividend under the terms of any loan agreements, debenture trust deeds, or other financing arrangements;
- (g) in case the Company is prohibited from recommending or declaring dividend by any regulatory body or under any Applicable Laws; and
- (h) in case of any other circumstances that the Board may deem relevant.

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 the then ongoing or planned business expansion or other factors which may be considered by the Board. 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 year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy, if any.

(C) FINANCIAL AND OTHER PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial/internal parameters while declaring or recommending dividend to shareholders:

- (a) Profits earned and available for distribution by the Company;
- (b) Working capital requirement;
- (c) Accumulated reserves of the Company including retained earnings;
- (d) Company's liquidity position including its present and expected obligations;
- (e) Expected future capital expenditure requirements of the Company including organic/inorganic growth opportunities;
- (f) Long term investments proposed, capital restructuring, debt reduction, etc.;
- (g) Cost of raising funds from alternate sources;
- (h) Crystallisation of contingent liabilities of the Company;
- (i) Profit earned under consolidated financial statements, if applicable
- (j) Past dividend trends of the Company and the industry;
- (k) Financial commitments of the Company with respect to the outstanding borrowings and interest thereon;

- (l) Operating cash flows and treasury position keeping in view the total debt to equity ratio.
- (m) Current and projected cash balances of the Company;
- (n) Other corporate action options available to the Company (including bonus issue, buy-back of shares, etc.); and
- (o) Dividend income received from subsidiaries, joint ventures, or other investments.
- (p) Any other relevant factors and material events.

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- (a) **Macro-economic environment** - Significant changes in the macro-economic environment materially affecting the industry and geographies in which the Company operates;
- (b) **Regulatory changes** - Introduction of new regulatory requirements or material changes in existing taxation or regulatory regime (including changes in the taxation of dividends in the hands of shareholders and applicable withholding tax obligations), which significantly affects the Company's operations or finances;
- (c) **Technological changes** - Significant changes which necessitate new investments in any of the businesses in which the Company is engaged; and
- (d) Any other relevant factors and material events, including statutory and contractual restrictions.

(D) ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

Entitlement: The Dividend shall be paid to the shareholders entitled to receive Dividend on the record date as fixed by the Board in accordance with Regulation 42 of the Listing Regulations and other Applicable Laws.

Timelines: The payment of dividend shall be made within the time prescribed under the Companies Act and the Listing Regulations. Presently, dividend is to be paid within 30 (thirty) days from the date of declaration by the Board in case of interim dividend and within 30 (thirty) days from the declaration by the shareholders in the annual general meeting of the Company in case of final dividend, or within such other timelines as may be prescribed under the Listing Regulations and circulars issued by the Securities and Exchange Board of India from time to time.

Tax Deduction at Source: The Company shall deduct tax at source on dividend payments in accordance with the provisions of the Income Tax Act, 2025, including Section 393 (for resident shareholders and non-resident shareholders), as applicable. Shareholders are advised to refer to the relevant provisions of the Income Tax Act, 2025 and the rules made thereunder for the tax treatment of dividends received by them. The Company shall not be liable for any taxes payable by the shareholders on the dividend received by them beyond the tax deducted at source as required under Applicable Laws.

(E) MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings shall be deployed in line with the objects of the Company as detailed in its memorandum of association. The retained earnings shall be utilised in a manner which is

beneficial to the interests of the Company and also its shareholders. The decision of utilisation of the retained earning shall be based on the factors like strategic and long-term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard. In the absence of the opportunity to utilise retained earnings in any of the above options, as an exception, the Board shall use the larger portion of profits to distribute amongst the shareholders as dividend.

(F) PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has no other form/ class of Shares except the equity shares.

IV. RATE/QUANTUM OF DIVIDEND

It has always been the Company's endeavour to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business, to the shareholders, in the form of dividend. The Company shall maintain a dividend pay-out as may be determined by the Board from time to time, considering the general business factors and other significant parameters specified in this Policy.

V. 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.

VI. REVIEW/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.

VII. DISCLOSURE

The Policy shall be disclosed on the website of the Company in accordance with Regulation 46(2) of the Listing Regulations and a web-link shall also be provided in its annual report. Any declaration of dividend shall be intimated to the stock exchange(s) in accordance with Regulation 30 of the Listing Regulations.

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, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

The Company hereby clarifies that the proceeds raised through any initial public offering or further public offering of securities shall not be utilised for the payment of dividends, unless otherwise disclosed in the relevant offer documents filed with the Securities and Exchange Board of India. The dividend history of the Company, if any, shall be as disclosed in the offer documents. Any post-listing restrictions on dividend distribution under the Securities and Exchange Board of India (Issue

of Capital and Disclosure Requirements) Regulations, 2018 or other Applicable Laws shall be duly complied with by the Company.

