

CALIFORNIA SOFTWARE COMPANY LIMITED

DIVIDEND DISTRIBUTION POLICY

Date of Approval: April 10, 2026

1. PREAMBLE

This Dividend Distribution Policy ("Policy") has been formulated in accordance with the provisions of the Companies Act, 2013, applicable rules framed thereunder, and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time.

The purpose of this Policy is to establish the parameters and circumstances to be considered by the Board of Directors of California Software Company Limited ("Company" or "Calsoft") while recommending or declaring dividend and to ensure transparency and consistency in the approach towards dividend distribution.

2. OBJECTIVE

The objective of this Policy is to:

- Ensure a balanced approach between distribution of profits to shareholders and retention of earnings for growth and expansion.
 - Maintain sustainable shareholder value creation.
 - Ensure compliance with applicable statutory and regulatory requirements.
 - Provide clarity to investors regarding the Company's dividend philosophy.
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3. DEFINITIONS

"Board"

Means the Board of Directors of California Software Company Limited.

"Dividend"

Means dividend as defined under the Companies Act, 2013 and includes interim dividend.

"Policy"

Means this Dividend Distribution Policy.

“SEBI LODR”

Means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board shall consider the following financial and internal parameters before recommending or declaring dividend:

A. Financial Parameters

- Net profits earned during the financial year.
- Accumulated reserves and surplus.
- Earnings stability and cash flow position.
- Working capital requirements.
- Capital expenditure plans.
- Debt obligations and repayment commitments.
- Future business expansion and acquisitions.
- Funding requirements for research, technology, innovation, and growth initiatives.

B. Internal Factors

- Business performance and profitability.
- Current and projected financial performance.
- Strategic plans and growth opportunities.
- Availability of distributable profits.
- Retention requirements for operational sustainability.

C. External Factors

- Economic and market conditions.
 - Government policies and taxation.
 - Industry outlook and competitive environment.
 - Regulatory restrictions or changes.
 - Global economic conditions affecting business operations.
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5. UTILIZATION OF RETAINED EARNINGS

The retained earnings of the Company may be utilized for:

- Business expansion and growth initiatives.
 - Product development and technological innovation.
 - Strategic investments and acquisitions.
 - Debt repayment and strengthening financial position.
 - Working capital requirements.
 - General corporate purposes.
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6. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board may recommend dividend after considering the overall financial performance and future requirements of the Company.

However, shareholders may not expect dividend under the following circumstances:

- Inadequate profits or losses.
 - Significant capital expenditure requirements.
 - Major expansion or acquisition plans.
 - Adverse economic or business conditions.
 - Regulatory or contractual restrictions.
 - Requirement to conserve cash for future growth.
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7. TYPES OF DIVIDEND

The Company may declare:

a) Interim Dividend

Declared by the Board during the financial year out of surplus profits.

b) Final Dividend

Recommended by the Board and approved by shareholders at the Annual General Meeting.

8. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

At present, the Company has only one class of equity shares. In case of issue of any other class of shares in future, the Board may suitably amend this Policy.

9. DISCLOSURES

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.

Website: <https://www.calsofts.com>

10. REVIEW AND AMENDMENT

The Board reserves the right to review, modify, amend, or replace this Policy in whole or in part at any time in accordance with applicable laws and regulations.

Any amendment in the applicable laws/regulations shall automatically apply to this Policy.

11. EFFECTIVE DATE

This Policy shall come into effect from the date of approval by the Board of Directors.

For California Software Company Limited

Authorized Signatory

Board of Directors California Software Company Limited