

SANDHAR

Growth. Motivation. Better Life.

**SANDHAR TECHNOLOGIES LIMITED
DIVIDEND DISTRIBUTION POLICY**

DIVIDEND DISTRIBUTION POLICY

1. SCOPE & PURPOSE:

As per Regulation 43A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, top 1000 listed entities (based on market capitalization as calculated as on 31st March of every Financial Year) are required to frame Dividend Distribution Policy and disclose the same on their websites and its web-link in their Annual Report. As the Company falls within the aforesaid class, it is required to formulate and disclose its Dividend Distribution Policy in its Annual Report and on its website.

2. OBJECTIVE:

The objective of this Policy is to provide a framework for distributing the profits of the Company by way of dividends in a way that shareholders can participate equitably in the company's growth, while maintaining the financial foundation of the company and ensure sustainable growth.

3. DEFINITIONS

- (i) **"Act"** means the Companies Act, 2013 and Rules made thereunder, including any statutory amendment(s) or modification(s) thereof for the time being in force.
- (ii) **"Dividend"** includes final and interim dividend.
- (iii) **"Dividend Payout ratio"** means a fraction of net income a company pays to its shareholders as dividend.
- (iv) **"Market capitalisation"** means the aggregate value of the company based on its current market price and the total number of outstanding shares of the company.
- (v) **"Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, from time to time and as notified by the Securities and Exchange Board of India.

4. KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND:

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters before declaration of any interim dividend or recommendation of annual dividend to shareholders:

❖ General Guidelines for Dividend Distribution

- The Company shall pay dividend (including interim dividend) in compliance with the applicable provisions of the Act and any amendments made thereto.
- If the Company proposes to declare dividend on the basis of parameters in addition to those covered in this Policy or proposes to make any changes to any parameters of the Dividend Distribution Policy.

❖ **Financial Parameters / Internal Factors:**

- Funds required for any acquisitions that the Board of Directors may approve;
- Any share buy-back plans.
- Investment Prospectus;
- Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;
- Investments required towards execution of the Company's strategy;
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments.

❖ **External Factors:**

- General Economic environment and Market conditions;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

As the company is Manufacturing Company which is engaged in the Manufacturing of Automotive Parts, the profits of the company may vary from year to year depending on the capital market conditions due to which its dividend payout can also vary from year to year. The Company having regard to profits & other financial parameters as per applicable legal provisions, shall endeavour to maintain a reasonable dividend payout, to the extent possible, taking into consideration the past dividend payout history.

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

- In the event of loss or inadequacy of profit;
- Adverse market conditions or regulatory constraints;
- Proposal for buy-back of securities;
- Significant expansion project requiring higher allocation of capital;
- Other unanticipated events as may be decided by the Company.

6. UTILIZATION OF RETAINED EARNING:

The Board may retain its earnings in order to make better use of the funds available and increase the value of the stakeholders in the long run after having due regard to the parameters laid down in this Policy.

The consolidated profits earned by the Company can either be retained in the business or used for various purposes as outlined in clause (3) above or it can be distributed to the shareholders.

7. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

8. GENERAL:

a) Review:

This policy will be reviewed and amended as and when required by the Board.

b) Disclosure of the Policy:

This policy will be uploaded on the Company's website www.sandhargroup.com.

c) Effective Date:

Revised by the Board of Directors at its meeting held on 09th February, 2023.
