



**SATIA INDUSTRIES LIMITED**  
**Dividend Distribution Policy**

**DIVIDEND DISTRIBUTION POLICY**

**OBJECTIVE**

The objective of this Policy is to reward the shareholders of the Company by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for future growth of the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time. Through this Policy, the Company would endeavour to maintain a consistent approach to Dividend pay-out plans.

**DEFINITIONS**

In this Policy, unless the context otherwise requires:

1. “**Act**” shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
2. “**Applicable Laws**” shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
3. “**Board or Board of Directors**” shall mean the Board of Directors of the Company.
4. “**Company**” shall mean Satia Industries Limited and wherever the context requires, shall signify the Company acting through its Board.
5. “**Dividend**” shall mean Dividend as defined under Companies Act, 2013.
6. “**Financial Year**” shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.
7. “**Policy or this Policy**” shall mean this Dividend Distribution Policy and as

may be amended from time to time.

8. **“SEBI Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

## **POLICY**

The Company shall declare and pay dividend in accordance with the provisions of the Companies Act 2013, rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Shareholders may or may not expect Dividend based on following factors to be considered by the Board while declaring dividend:

1. Consistency with the Dividend Guidelines as laid out by the Board.
2. Sustainability of dividend pay-out ratio in future.
3. Dividend payout ratio of previous years.
4. Macroeconomic factors and business conditions retained earnings are intended to be utilized for:
5. Investments for future growth of the business
6. Dealing with any possible downturns in the business
7. Strategic investments in new business opportunities
8. Any other purpose as may be deemed fit

## **PROCEDURE**

The Act provides for two types of Dividend- Final & Interim. The final Dividend is paid once for the Financial Year after the annual accounts are prepared. The Board of Directors shall have the power to recommend the final Dividend to the shareholders for their approval in the Annual General Meeting of the Company. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

The Board of Directors shall have the absolute power to declare interim Dividend during the Financial Year, as and when they consider it fit. Before declaring interim Dividend, the Board shall consider the financial position of the Company that allows the payment of such Dividend. In case no final Dividend is declared, interim Dividend paid during the year, if any, will be regarded as final

Dividend at the annual general meeting.

Pursuant to the provisions of Applicable Laws and this Policy, Interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing annual general meeting of the Company.

### **DIVIDEND GUIDELINE**

The Board at its discretion, while approving the annual accounts in each financial year, may also recommend the dividend for approval of the shareholders after taking into account the free cash flow position, the profit earned during that year, the Capex requirements and applicable taxes. If during any financial year the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year. A dividend policy stated by the current Board cannot be

binding on the extant Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to the shareholders.

### **RETAINED EARNINGS**

The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

### **TARGET DIVIDEND**

The Company strikes to maintain an equilibrium between retaining sufficient funds for the growth of the Company & meeting contingency and also rewarding & providing return to shareholders.

Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board of Directors may recommend/ declare the dividend for declaration as deemed fit.

### **REVIEW**

This policy shall be reviewed by Board from time to time.