



SHETRON LIMITED
THE NAME BEHIND THE NAMES

POLICY ON DIVIDEND DISTRIBUTION POLICY
(Approved on Board Meeting dated 04.02.2023)

Registered Office:

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1. INTRODUCTION

Regulation 43A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') requires the top 1000 listed entities based on market capitalization calculated as on March 31 of every financial year to formulate a Dividend Distribution Policy which shall be disclosed on their website and web link should be provided in the Annual Report.

Accordingly, the Board of Directors ('Board') of SHETRON LIMITED ('the Company') has voluntarily adopted this Dividend Distribution Policy in its meeting held on 4th February, 2023 and the Policy is effective from the said date.

2. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND

The Board will assess the Company's financial requirements, including present and future, organic and inorganic growth opportunities and other relevant external and internal factors and declare Dividend in any financial year.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. The Board can propose dividend up to 25% of net profit after tax. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with the provisions of the Act and Regulations, as applicable.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

The Board may choose not to recommend a dividend, if there are important strategic priorities which require large investments which would deplete the Company's cash reserves or due to uncertainties in the business performance in the near to medium term or due to regulatory/contractual restrictions or if there an inadequacy of absence of profits, or higher working capital requirements for business operation of the Company, if any.

4. THE FINANCIAL PARAMETERS WHICH SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

Following financial parameters shall be considered by the Board while distributing dividend:

- a. Working Capital requirement of the Company in near future.
- b. Capital expenditure towards purchase / maintenance of machineries and Building.
- c. Acquisition / take over as part of growth plans.
- d. Cash required for contingencies.
- e. Servicing the outstanding loans, etc.

5. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Board shall provide due regard to the following internal / external parameters while declaring or recommending the dividend:

- a. Any political, regulatory, or such other changes that may have major impact on the industry in which the Company is operating.
- b. Any changes in the competitive environment requiring significant investment.
- c. Any significant changes in the business or technology, which requires substantial investment.

6. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

Based on the decision of the Board, from time to time, the retained earnings can be utilized to meet the Company's long term financial requirements (including capital expenditure, debt service obligations, other liabilities etc.), improve financial ratios, declaration of dividend, issue of bonus shares, buy-back of shares and any other purpose permitted by the Companies Act 2013.

7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The provisions of this Policy shall be applicable to all the classes of Shares of the Company. Presently, the Company has only one class of Shares i.e. Equity Shares.

8. REVIEW / AMENDMENT

The Board may review this Policy from time to time and may at its discretion amend the provisions of this Policy, whenever it thinks necessary. Any amendments in Companies Act, 2013 / or rules made there under or SEBI regulations or such other statutory amendments, to the extent applicable shall automatically apply to this Policy. In the event of any difference between Companies Act, 2013 and SEBI Regulations or such other statutory enactments (“the Regulations”) and provisions of this Policy, the Regulations shall prevail.