

SHIVAMSHREE BUSINESSES LIMITED

Dividend Distribution Policy

(With effect from 17th June 2021)

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1 Introduction

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 with effect from May 5, 2021, which requires top 1000 listed companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

The Company being one of the top 1000 listed companies as per the market capitalization as on the last day of the immediately preceding financial year frames this dividend distribution policy based on the parameters provided in the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which shall be disclosed on the website of the company.

Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy of the Company on 17th June 2021.

The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

2 Dividend Payout

Dividend (Including Interim Dividend) will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilizing retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains/losses, will not be considered for the purpose of declaration of dividend.

3 Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings;
- Cash flow from operations;
- Consolidated net operating profit after tax;
- Working capital requirements;
- Future capital expenditure, inorganic growth plans and reinvestment opportunities;
- Resources required to fund acquisitions and/or new business;
- Industry outlook and stage of business cycle for underlying businesses;
- Leverage profile and capital adequacy metrics;
- Overall economic / regulatory environment;
- Contingent liabilities;
- Past dividend trends;
- Buyback of shares or any such alternate profit distribution measure;
- Any other contingency plans;
- Any other criteria as the Board may deem fit from time to time.

Retained earnings will be used inter alia for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

If the Board decides to deviate from this policy, the rationale for the same will be suitably disclosed in the annual report and on website. This policy would be subject to revision / amendment on a periodic basis, as may be necessary. This policy (as amended from time to time) will be available on the company's website and a web-link shall be provided in the annual report.