SHREE SALASAR INVESTMENTS LIMITED

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DIVIDEND DISTRIBUTION POLICY

(Framed under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 123 to 127 of the Companies Act, 2013)

1. Background and Applicability

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") requires certain listed entities to formulate a dividend distribution policy, and permits other listed entities to adopt and disclose such a policy on a voluntary basis. The Board of Directors (the "Board") of Shree Salasar Investments Limited (the "Company") has adopted this Policy on a voluntary basis to set out the parameters and circumstances that the Board will consider in determining the distribution of dividend to its shareholders.

This Policy shall be read with the provisions of the Companies Act, 2013 (the "Act"), the Companies (Declaration and Payment of Dividend) Rules, 2014, the Listing Regulations and, to the extent applicable to the Company, the directions of the Reserve Bank of India on declaration of dividend by Non-Banking Financial Companies.

2. Dividend Philosophy

The Company seeks to reward its shareholders while retaining adequate capital to fund its growth and to meet its obligations. The Board will endeavour to maintain a consistent approach to dividend, balancing the return to shareholders with the long-term interests of the Company.

3. Classes of Shares

The Company presently has only one class of shares, viz. equity shares of face value ₹10 each. All equity shares rank pari passu for dividend, in proportion to the amount paid up on them. If the Company issues any other class of shares in future, dividend on such shares shall be governed by their terms of issue, the Act and this Policy, with any necessary modifications.

4. Declaration of Dividend

4.1 **Final dividend:** The Board may recommend a final dividend for a financial year, which shall be declared by the shareholders at the Annual General Meeting. The shareholders cannot declare a dividend exceeding the rate recommended by the Board.

4.2 **Interim dividend:** The Board may declare one or more interim dividends during a financial year, out of the surplus in the profit and loss account or out of profits of the financial year for which it is declared or of the quarter preceding the date of declaration. Where the Company has incurred a loss during the current financial year up to the end of the quarter immediately preceding the date of declaration, the interim dividend shall not be declared at a rate higher than the average dividend declared during the immediately preceding three financial years.

4.3 **Source:** Dividend shall be declared out of profits of the financial year, arrived at after providing for depreciation in accordance with the Act, or out of profits of any previous financial year(s) so arrived at and remaining undistributed, or out of both, after setting off previous losses

and depreciation not provided in previous years, and after transfer to reserves as may be considered appropriate or as required by law. Dividend shall not be declared out of reserves other than free reserves.

4.4 **Out of accumulated profits:** In the event of inadequacy or absence of profits in a year, the Board may declare dividend out of surplus in accumulated profits transferred to reserves, subject to the conditions of the Companies (Declaration and Payment of Dividend) Rules, 2014, including that (i) the rate shall not exceed the average of the rates declared in the three years immediately preceding; (ii) the total amount drawn shall not exceed one-tenth of the sum of paid-up share capital and free reserves as per the latest audited financial statements; (iii) the amount drawn shall first be utilised to set off the losses incurred in the financial year; and (iv) the balance of reserves after such withdrawal shall not fall below fifteen percent of the paid-up share capital.

4.5 Dividend shall be declared on a per-share basis.

5. Circumstances under which Shareholders may or may not Expect Dividend

The Board may consider declaring or recommending dividend where the Company has adequate profits and liquidity after providing for its business and regulatory requirements. Shareholders may not expect dividend, or may expect a lower dividend, inter alia in the following circumstances:

(a) inadequacy of profits or where the Company has incurred losses;

(b) where the Company proposes to undertake significant investments, acquisitions, expansion or new business requiring higher allocation of capital;

(c) significantly higher working capital or capital adequacy requirements, or debt repayment obligations, adversely impacting free cash flow;

(d) any restriction imposed by lenders, by law or by any regulator; and

(e) such other circumstances as the Board may consider relevant.

6. Financial Parameters and Internal and External Factors

6.1 Financial parameters and internal factors

(a) profit after tax and distributable surplus, current and expected; (b) operating cash flows and liquidity position; (c) capital expenditure, investment and working capital requirements; (d) debt obligations and debt servicing; (e) past dividend trend; (f) capital adequacy, net owned fund and other regulatory requirements, to the extent applicable; (g) provisioning for contingencies and tax; and (h) any other factor having a significant impact on the Company.

6.2 External factors

(a) prevailing legal and regulatory requirements, including tax laws and changes in accounting standards; (b) economic and capital market conditions; (c) dividend payout ratios of comparable companies; and (d) any other factor beyond the control of the Company having an impact on its business or financial position.

7. Utilisation of Retained Earnings

Subject to applicable law, retained earnings may be utilised for: (a) funding organic and inorganic growth, including working capital and capital expenditure; (b) investments and acquisitions; (c) repayment of debt; (d) buyback of securities; (e) issue of bonus shares; (f) declaration of dividend in future years; and (g) any other permissible purpose.

8. Procedure and Payment

8.1 The Company shall give prior intimation to the stock exchange(s) of the date of the Board meeting at which declaration or recommendation of dividend is proposed to be considered, and shall disclose the decision within the timelines specified under the Listing Regulations.

8.2 The Company shall fix a record date for determining the shareholders entitled to dividend and give advance notice of the same to the stock exchange(s) as prescribed under Regulation 42 of the Listing Regulations.

8.3 The amount of dividend, including interim dividend, shall be deposited in a separate bank account within five days from the date of declaration, and shall be paid within thirty days from the date of declaration, through electronic modes of payment as specified under the Listing Regulations, subject to deduction of tax at source as applicable.

8.4 Any dividend remaining unpaid or unclaimed shall be transferred to the Unpaid Dividend Account within seven days from the expiry of the said period of thirty days, and amounts (along with the underlying shares, where applicable) remaining unpaid or unclaimed for seven consecutive years shall be transferred to the Investor Education and Protection Fund in accordance with Sections 124 and 125 of the Act and the rules made thereunder.

9. Waiver of Dividend

A shareholder may, by an irrevocable written instruction received by the Company before the record date, waive or forgo his right to receive dividend (interim or final) for a particular financial year in respect of all or any of the shares held by him. A waiver for part of the dividend on a share shall not be permitted. Such waiver shall be purely voluntary and shall be subject to applicable law. Waivers by promoters shall be subject to any conditions prescribed by SEBI or the stock exchange(s).

10. Disclosure, Review and Amendment

This Policy shall be hosted on the website of the Company and a web-link shall be provided in the annual report. The Board may review and amend this Policy from time to time. In case of any conflict between this Policy and applicable law, the law shall prevail and this Policy shall stand amended accordingly. If the Board proposes to declare dividend on the basis of parameters in addition to those in this Policy, or proposes to change such parameters, it shall disclose such changes along with the rationale in the annual report and on the website.