

## **DIVIDEND DISTRIBUTION POLICY**

### **A. BACKGROUND:**

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 notified on 5th May, 2021, have inserted Regulation 43A in the Listing Regulations requiring top 1000 listed companies based on the market capitalization to frame and adopt a Dividend Distribution Policy. The Policy is also required to be placed on website of the company and link is to be disclosed in the Annual Report.

### **B. OBJECTIVE:**

Objective of the policy is to provide transparent and fair framework for determination of profits to be distributed to the shareholders and the profits to be ploughed back in to business for its future growth. Board of Directors shall endeavor to enhance shareholders' value through dividend distribution after taking in to consideration operating performance of the Company and future capital requirements for growth and expansion plans. The policy lays down the parameters and different circumstances that needs to be considered by the Board at the time of taking the decision for distribution and/ or retention of profits.

### **C. DEFINITION:**

In the Policy, unless the context otherwise requires:

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“**Applicable Laws**” shall mean the Act, Listing Regulations and such other acts, rules or regulations that govern the distribution of Dividend, as amended from time to time.

“**Board**” or “**Board of Directors**” means the collective body of the Directors of the Company.

“**Company**” means SGN Telecoms Limited.

“**Dividend**” means dividend on equity shares of the Company and includes interim dividend.

“**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time or any reenactment thereof.

“**Policy**” means this Dividend Distribution Policy of the Company.

All the words and expression used in this Policy, unless defined in the Policy, shall have the same meaning respectively assigned to them under the Applicable Laws.

### **D. DIVIDEND POLICY:**

Subject to the compliance with Applicable Laws, the Company shall endeavor to deliver sustainable value after tax without taking into account non-cash charges relating to business acquisitions as dividend (including applicable taxes if any on distribution of such dividend) subject to sufficiency of stand-alone profits available for distribution of dividend in the relevant year. However, the Board may choose to declare higher or lower dividend based on Growth opportunities of the Company; Capital requirements for ongoing, organic and inorganic growth opportunities, adequate liquidity for near future; debt obligations of the company (repayments & interest). The distribution of dividend can be by way of Interim (in one or more tranches) and/ or Final Dividend.

In case of exceptional circumstances such as:

a) Inadequacy of profits in any year;

b) Absence of profit in any year;

c) Any special circumstance or event, including those which are significantly impacting or likely to significantly impact the operations, working and profits of the Company– both, positively and negatively;

The Board may deviate from the previously mentioned criteria, subject to compliance with the provisions of the Applicable Laws and shall disclose such changes along with the rationale for the same in its annual report and on its website.

The retained earnings shall be utilized for funding the Company's business and operations, meeting with investment requirement for organic and inorganic growth and such other purposes as may be deemed fit from time to time.

The payment of dividend for all other classes of shares shall be based on the respective rights attached to each class of shares as per the terms and conditions of their issue, subject to the Applicable Laws.

#### **E. REVIEW OF THE POLICY**

The Chairman of the Company is authorized to give appropriate directions and / or make changes in the policy for resolving any doubts or difficulty that may arise in the implementation of the said Policy.

The Policy may be reviewed and revised from time to time by the Board.