



**DIVIDEND DISTRIBUTION POLICY**  
**OF**  
**SOLAR INDUSTRIES INDIA LIMITED**

Adopted by Board on:- September 7, 2016  
1<sup>st</sup> Amendment: - May 29, 2017  
2<sup>nd</sup> Amendment: - November 2, 2023

#### **A. REGULATORY FRAMEWORK:**

The Securities Exchange Board of India (“SEBI”) on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Solar Industries India Limited being one of these listed companies as per the market capitalisation frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **B. POLICY STATEMENT:**

The Board of Solar Industries India Limited (the Board) is committed to a policy of providing consistent dividend streams to shareholders while maintaining a strong balance sheet and retaining flexibility to meet the businesses financial needs.

#### **C. DEFINITION:**

Unless repugnant to the context:

“Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

“Applicable Laws” shall mean the Companies Act, 2013 and 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.

“The Company” shall mean Solar Industries India Limited. “Chairman” shall mean the Chairman of the Company.

“Compliance Officer” shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Board” or “Board of Directors” shall mean Board of Directors of the Company.

“Dividend” shall mean Dividend as defined under Companies Act, 2013.

“MD” shall mean Managing Director of the Company.

“CEO” shall mean Chief Executive Officer of the Company.

“Policy or this Policy” shall mean the Dividend Distribution Policy.

“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.

“Subsidiary” shall mean Subsidiary of the Company as defined under the Companies Act, 2013.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

#### **D. OBJECTIVE AND SCOPE OF THE POLICY:**

This policy applies to the distribution of dividend by the Company in accordance with the provisions of the Act and the Listing Regulations, as may be amended from time to time. This policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

#### **E. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND:**

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to fund the growth plans of business. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

#### **F. PARAMETERS FOR DECLARATION OF DIVIDEND:**

The Board of Directors of the company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion of other factors which may be considered by the Board.

##### **Parameters to be considered before recommending dividend**

The Board of Directors of the company shall consider the following financial/internal parameters while declaring or recommending dividend to shareholders.

- Profits earned during the financial year
- Cash flow position of the company
- Investments required for the execution of the company’s growth strategy
- Expected future capital/liquidity requirements
- Dividend payout history
- Any other significant developments that require cash investments

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders;

- Significant changes in Macroeconomic environment materially affecting the businesses in which the company is engaged
- Any political, tax and regulatory changes in the geographies in which the company operates
- Technological changes which required significant new investments in any of the businesses in which the company is engaged.

**G. PROCEDURE:**

1. The MD, CEO and the CFO, considering various internal and external factors and the overall performance of the Company, shall jointly make a recommendation to the Board of Directors with regard to whether or not to declare a dividend and in case a dividend is recommended, the quantum of dividend to be declared.
2. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

**H. UTILISATION OF RETAINED EARNINGS:**

The retained earnings of the Company may be used in any of the following ways;

- Capital expenditure and for the purpose of any organic and/or inorganic growth
- Declaration of Dividend
- Issue of Bonus shares or buy back of shares
- Other permissible usage as per the Companies Act, 2013.

**I. POLICY REVIEW:**

The Board may review the Policy from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

**J. WEBSITE:**

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company

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