

Dividend Distribution Policy

BACKGROUND

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Board of Directors (“the Board”) of Siyaram Silk Mills Limited (“the Company”) has adopted this Dividend Distribution Policy (“Policy”) at its meeting held on 29th May, 2018.

OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of the Company before declaring or recommending dividend.

1. POLICY

A. CIRCUMSTANCES UNDER WHICH THE SHARE HOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Company has an uninterrupted dividend payout since inception and in future, the Company would endeavor to pay sustainable dividend keeping in mind need of capital for growth of the business of the Company and rewarding shareholders.

The Board, while declaring or recommending dividend, shall ensure compliance of applicable laws including the provisions of the Companies Act, 2013 and the Listing Regulations and shall consider advice of the Executive Management of the Company based on the parameters set out in this policy.

The Board may not declare or recommend dividend for a particular period in the following circumstances, subject to discretion of the board:

- i. In the event of loss or inadequacy of the profit
- ii. In case of need to conserve capital for ongoing or planned business expansion, acquisitions or others requiring significant capital outflow.
- iii. To comply with any statutory requirements.

B. PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

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

i) Internal and Financial Parameters

- a) Profit earned during the year after providing for depreciation in accordance with law for the year and transferring to the reserves such amount of Profit as the Board may deem fit.
- b) Operating cash flow of the company
- c) Retaining Earnings
- d) Level of Dividends paid historically.
- e) Expected future capital requirement for Business
- f) Other relevant factors and events

ii) External factors:

- a) Overall Economic Environment
- b) Changes in government policy, tax and regulatory provisions.
- c) Technological changes

C. UTILIZATION OF THE RETAINED EARNING

The Board shall utilize retained earnings in such a manner so that it is beneficial to the overall interest of the Company and to its shareholders in the long run. The Board may decide to utilize retained earnings for growth, acquisition, expansion, diversification or any other purpose for generating higher returns to the shareholders.

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

The Company has issued only one class of shares viz., Equity shares. Parameters for dividend payments in respect of any other class of shares will be determined, as and when the Company decides to issue other classes of shares.

2. POLICY REVIEW AND AMENDMENTS

The Board has authority to make amendments to this Policy in case of change in applicable laws and/or Listing Regulations or as deemed fit by it on a review.

3. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in Listing Regulations, the Regulations shall prevail.

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