



SPACENET ENTERPRISES INDIA LIMITED

Dividend Distribution Policy

1. OBJECTIVE:

This Policy shall be called ‘Spacenet Enterprises India Limited’s Dividend Distribution Policy’.

To ensure transparency on the Company’s take on dividend and that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company has adopted the Dividend Distribution Policy (“the Policy”).

This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

The Company shall make appropriate disclosures as required under the Listing Regulations.

This policy provides clarity to stakeholders on the dividend distribution framework adopted by the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

2. DEFINITIONS:

- a) “Board” means the Board of Directors of Spacenet Enterprises India Limited.
- b) “Company” means Spacenet Enterprises India Limited.
- c) “Policy” means this Dividend Distribution Policy, as amended from time to time.
- d) “Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- e) “Financial year” shall mean the period starting from 01st day of April and ending on 31st day of March every year.

Explanation: Any words/terms used in the Policy but not defined herein shall have the same meaning ascribed to it, in the Act or rules made thereunder, the SEBI LODR, the Indian Accounting Standards or any other relevant legislation / law applicable to the Company.

3. LEGAL PROVISIONS REGARDING PAYMENT OF DIVIDEND:

The recommendation, declaration and payment of dividend by the Company is subject to the provisions of Sections 123 and 134(3) of the Companies Act, 2013 (“the Act”) read with the Companies (Declaration and Payment of Dividend) Rules, 2014 (“the Rules”) and Regulations 12, 29, 42, and 43A of the SEBI LODR Regulation 2015.

4. INTERPRETATION:

In the event of a conflict between the terms of the Policy and any rule, regulation or standards, the provisions of such rule, regulation or standards shall prevail over this Policy, to the extent of such inconsistency.

In case of any dispute or difference upon the meaning/interpretation of any provision in the Policy, the same shall be referred to the Board and the decision of the Board in such a case shall be final.

5. PARAMETERS FOR DIVIDEND PAYOUT:

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters while declaring dividend:

a) Financial Parameters/ Internal Factors:

- i. Standalone and consolidated profit for the financial year.
- ii. Past dividend pattern
- iii. Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company;
- iv. Cash flow requirements of the Company
- v. Debt obligation
- vi. Capital expenditure and working capital
- vii. Investment in Organic and inorganic growth opportunities
- viii. Buyback of shares or any such alternate profit distribution measure
- ix. Any unforeseen events and/or contingencies

b) External Factors:

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

- i. Regulatory requirements
- ii. Economic environment
- iii. Political/geographical situations;
- iv. Industry Outlook for future years.
- v. Capital Market

c) Utilization of Retained Earnings:

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

- i. Organic and inorganic growth opportunities
- ii. Capital expenditure and working capital requirement
- iii. Capitalisation of reserves
- iv. General corporate purposes, including contingencies
- v. Declaration of dividend and/or Buyback of shares or any such alternate profit distribution measure.
- vi. Any other permitted usage as per the Companies Act, 2013

d) Circumstances under which the shareholders may or may not expect dividend:

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any Financial Year. However, the Board may consider not declaring any dividend or declare a lower rate of dividend under the following circumstances:

- i. Prospective growth opportunities/threats/concerns/regulatory actions
- ii. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- iii. Inadequacy or absence of profits

e) Parameters with regard to various classes of shares:

Presently, the issued share capital of the Company comprises of only one class of equity shares of Re. 1 each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

Post consideration of the above factors, the Board shall take an informed decision about the dividend pay-out ratio and shall strive to maintain the same in the range of 10% - 50% of the profit after tax (PAT) on Standalone Financials for the concerned Financial Year.

6. PROCEDURE FOR DECIDING QUANTUM OF DIVIDEND:

- a) The Chief Financial officer (CFO) and Company Secretary (CS) after considering the parameters mentioned above and in consultation with the Managing Director/Whole-Time Director/Chief executive Officer (MD & CEO) may propose the rate of final dividend to be recommended by the board to Shareholders or the rate of interim dividend to be declared by the Board.
- b) The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- c) The final dividend recommended by the Board is subject to approval / declaration by the shareholders in the ensuing general meeting.

- d) The interim dividend approved by the Board requires confirmation by the shareholders in the ensuing general meeting.
- e) In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and regulations from time to time.

7. MANNER OF DIVIDEND PAYOUT:

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the Shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the Stock Exchanges, as required by Listing Regulations.

- a) In case of Final dividend, the following procedure shall be followed:
 - i. The Board shall recommend dividend to the Shareholders, which shall be paid subject to approval of the Shareholders at Annual General Meetings of the Company.
 - ii. Dividends shall be paid only out of Current Profits or past profits after providing for depreciation and setting off losses, if any.
 - iii. The amount of the dividend shall be deposited in a scheduled bank in separate account within 5 (five) days from the declaration of dividend.
 - iv. The payment of dividend shall be made within 30 (thirty) days from the date of declaration to the Shareholders entitled to receive the dividend on the record date as per the applicable law.
- b) In case of Interim dividend the following procedure shall be followed:
 - i. Interim dividend, if any, shall be declared by the Board.
 - ii. Before declaring Interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
 - iii. In case no Final dividend is declared at the Annual General Meeting, Interim dividend will be considered as the Final dividend of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to any Dividend, if any, declared by the Company.

- c) Payment Mode:

Dividend shall be paid by cheque or warrant or in any electronic mode to the Shareholders entitled to the payment of the dividend. The Dividend warrant shall be delivered to the Shareholders through ordinary post / Registered post / Speed post/ courier/Electronic Mode.

8. CONCLUSION:

The Company shall endeavor to maintain a consistency in dividend payout, every year. The focus of the Company is to declare a policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect.

9. REVIEW AND AMENDMENT OF POLICY:

This policy will be reviewed by the Board of Directors of the Company as they deem necessary. Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors or its Committee (as may be authorized by the Board of Directors in this regard) shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board of Directors in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

10. DISCLAIMER:

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's Equity Shares.
