

DIVIDEND DISTRIBUTION POLICY

PREAMBLE

- a) The Dividend Distribution Policy (this “Policy”) has been formulated by Shreyas Shipping & Logistics Limited (the “Company”) with the object of putting in place a set of guidelines for the purpose of taking the decision of distributing profits among shareholders and / or retaining profits.
- b) This Policy serves to lay down the criteria regulating the manner in which the Company will arrive at the amount or percentage of dividend to be disbursed or retained based on the financial position of the Company on a yearly basis.
- c) This Policy sets out the broad principles of approach of the Board of Directors of the Company (the “Board”) for declaring dividend and guides the shareholders of the circumstances under which the Board considers declaring dividend.

LEGAL FRAMEWORK

The Securities and Exchange Board of India, vide its notification dated July 8, 2016, has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) by inserting Regulation 43A in order to make it mandatory for the top five hundred listed companies to formulate a dividend distribution policy based on their market capitalization calculated as on March 31 of every financial year.

Considering the provisions of the aforesaid Regulation 43A, the Board recognizes the need to lay down a broad framework for considering decisions with regards to distribution of dividend to its shareholders and / or retaining or ploughing back of profits.

OBJECTIVE OF DIVIDEND DISTRIBUTION POLICY:

The Company proposes to adopt a Dividend Distribution Policy that balances the dual objectives:

- Appropriate reward to shareholders through dividends
- Ploughing back earnings to support sustained growth.

Provisions of the Companies Act, 2013 Regarding Distribution of Dividend:

The Company shall comply with the provisions of the Companies Act before declaring any dividend. Dividend shall normally be paid out of current year’s profits. However, in the absence of

or inadequate profits in any financial year, the Company may declare dividend out of balance in surplus in the Profit & Loss account.

Further, in the event of absence or inadequate profits, the Company can also declare dividend out of reserves after complying with the provision the Companies (Declaration and Payment of Dividend) Rules, 2014.

Factors Affecting the Company's Approach to Dividend Payout:

Dividend is declared after considering the impact of following factors which include:

- Standalone and Consolidated profitability of the Company
- Cash to be retained for future investments and outlays
- Liquidity and outstanding borrowing position
- Operating cash flow of the Company
- Capital expenditure
- Stakeholder's expectations
- Business and external environment
- Change in Government Policies and general macro-economic conditions
- Changes in various legal and regulatory frameworks
- Health of overall Industry and global condition
- Amount of profits retained for meeting the business requirements of the Company
- Debt servicing requirements of the company
- Past dividend trends
- Dividend payout of companies in the comparable business
- Investment opportunity
- Additional investment in joint ventures, subsidiaries and associates of the company
- Long term strategic plans
- Replacement of capital assets
- Such other criteria's as the Board may deem fit from time to time.

In addition to above, the dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (LODR) Regulations, 2015 and other legislations governing dividends as in force and as amended from time to time.

MANNER OF DIVIDEND PAYOUT

In case of final dividend:

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to



- approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
 - iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

In case of interim dividend:

- 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. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

POLICY REVIEW AND AMENDMENTS

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.
