

Steelman Telecom Limited

(Formerly known as Steelman Telecom Private Limited)



Dividend Distribution Policy of Steelman Telecom Limited

1. Preamble

This Dividend Distribution Policy ("Policy") sets out the framework and guiding principles for declaration and payment of dividends by STEELMAN TELECOM LIMITED ("the Company"). The Policy aims to strike an appropriate balance between rewarding shareholders and retaining earnings for future growth, while ensuring compliance with applicable laws and regulations.

2. Objective

The objectives of this Policy are to:

- Provide clarity and transparency on the Company's approach to dividend distribution
- Ensure consistency in dividend decisions
- Optimize shareholder value while maintaining financial flexibility
- Align dividend payouts with the Company's long-term growth strategy

3. Regulatory Framework

This Policy has been formulated in accordance with:

- Applicable provisions of the Companies Act, 2013 (or relevant local company law)
- Rules made thereunder
- Regulations, circulars, and guidelines issued by the relevant stock exchange(s) on which the Company is listed
- The Company's Articles of Association
- Any other applicable statutory or regulatory requirements

4. Types of Dividends

The Company may declare the following types of dividends, subject to applicable laws:

- **Final Dividend:** Recommended by the Board of Directors and approved by shareholders at the Annual General Meeting
- **Interim Dividend:** Declared by the Board of Directors between two Annual General Meetings

5. Parameters for Dividend Declaration

The decision to declare dividends shall be based on, inter alia, the following financial and non-financial factors:

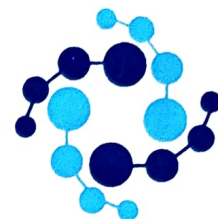
5.1 Financial Factors

- Profitability of the Company during the year
- Cash flows and liquidity position
- Current and future capital expenditure requirements
- Working capital requirements
- Debt servicing obligations
- Past dividend trends
- Availability of distributable reserves



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5.2 Non-Financial Factors

- Overall economic and business environment
- Industry outlook and competitive landscape
- Business expansion and growth plans
- Regulatory or contractual restrictions, if any
- Any other factor deemed relevant by the Board

6. Dividend Payout Ratio

- The Company does not intend to prescribe a fixed dividend payout ratio.
- The Board of Directors shall have the discretion to determine the dividend payout ratio for each financial year, taking into account the factors outlined in this Policy.

7. Utilization of Retained Earnings

Retained earnings may be utilized for:

- Funding organic or inorganic growth opportunities
- Capital expenditure and modernization
- Strengthening the balance sheet
- Meeting future working capital requirements
- Any other purpose as approved by the Board

8. Circumstances Under Which Dividend May Not Be Declared

The Company may decide not to declare dividends under circumstances including but not limited to:

- Inadequate or absence of profits
- Insufficient cash flows
- Significant capital investment requirements
- Adverse economic or business conditions
- Any legal or regulatory restrictions

9. Authority and Discretion of the Board

The Board of Directors shall have the sole authority to decide the quantum, timing, and frequency of dividend payments, subject to applicable laws and shareholder approvals where required.

10. Disclosure

This Policy shall be:

- Placed on the Company's website
- Disclosed in the Annual Report, as applicable
- Updated as and when required due to changes in law or business strategy



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11. Review and Amendment

The Board of Directors may review and amend this Policy from time to time to reflect changes in:

- Business strategy
- Financial position
- Regulatory requirements

**By The Order of the Board
For Steelman Telecom Limited**

**Mahendra Bindal
(Managing Director)
DIN: 00484964**

