

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. PREAMBLE

1.1 The Dividend Distribution Policy (hereinafter referred to as the “**Policy**”) has been developed in accordance with the applicable provisions of the Companies Act, 2013 and applicable SEBI regulations.

The Board of Directors (the “**Board**”) of Saksoft Limited (the “**Company**”) has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

2. PURPOSE

2.1 The purpose of this Policy is to facilitate the process of recommendation/ declaration of dividend and its pay-out by the Company.

2.2 Dividend is the payment made by a company to its shareholders in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisition, expansion or diversification, or distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. The Company would endeavor to strike a balance between the quantum of dividend paid and amount of profits retained in the business. The Board will refer to the Policy while declaring/recommending dividend from time to time.

3. OBJECTIVES

The Board has laid down broad framework for distribution of dividend to its shareholders and or retaining or plough back of its profits. The objective of the Policy is to lay down criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time.

4. DEFINITIONS

- (i) “**Act**” means the Companies Act, 2013 and Rules made thereunder, including any statutory amendment(s) or modification(s) thereof for the time being in force.
- (ii) “**Company**” means Saksoft Limited.
- (iii) “**Dividend**” includes final and interim dividend.
- (iv) “**SEBI Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, from time to time and as notified by the Securities and Exchange Board of India.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Regulations or any other applicable law or regulation.

As amended and approved by the board on November 11, 2024

5. PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

Financial Parameters and Internal Factors

- Profits earned during the year
- Retained Earnings
- Earnings Outlook for next five years
- Liquidity position including its working capital requirements and debt servicing obligations
- Operating cash flow and future cash flow needs
- Any other relevant factors and material events

External Factors

- Industry outlook Macro-Economic environment and any changes therein affecting the geography in which the Company operates;
- Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged
- Government Policies and any changes there in
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall consider the internal and external factors aforesaid in point 5. They shall also take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

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 or other factors which may be considered by the Board.

As amended and approved by the board on November 11,2024

The Board of Directors the company may not recommend any dividend or may recommend a lower payout for a given financial year under the following circumstances but not limited to:

- The Company has reported a net loss for the year.
- The Company has significant expansion plans.
- Any other extraordinary circumstances bearing material impact on the Company's business, profitability, capital requirement and future business strategy

7. UTILIZATION OF RETAINED EARNINGS

7.1 Retained earnings shall be utilized in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board of Directors of the Company.

7.2 The Company shall endeavour to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders in the long run.

7.3 The decision of utilization of the retained earnings of the Company shall *inter-alia* be based on the following factors:

- Long term strategic plans
- Market / Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the company

Other such criteria as the Board may deem fit from time to time.

8. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES

8.1 The Company has only one class of equity shareholders presently;

8.2 In case the Company issues different class of equity shares any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

8.3 The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

8.4 The dividends shall be paid out of the Company's distributable profits and/or general reserves and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

As amended and approved by the board on November 11,2024

9. APPLICABILITY OF THE POLICY

The Policy shall not apply to

Determination and declaring of dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;

Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law

Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

10. DISCLOSURES

The Policy shall be disclosed in the on the website of the Company i.e. at www.saksoft.com

11. AMENDMENTS TO THE POLICY

This Policy shall the reviewed as and when required, to meet the objectives of the relevant regulations and remains effective.

All statutory amendments in the Companies Act, 2013 and rules made there under or Listing Regulations or other applicable regulations, shall be effective and binding even if such amendments are not incorporated in the Policy herein.

For administrative convenience, any change in the policy herein shall be made by the Company Secretary in consultation with the Managing Director/ Chief Financial Officer. Apart from administrative convenience any statutory amendments, any material change that substantially impacts the implementation of the existing Policy shall be approved by the Board of Directors.

As amended and approved by the board on November 11,2024