

Dividend Distribution Policy

Purpose and Scope

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by Sasken Technologies Limited (the Company) in accordance with the provisions of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations). The Company will endeavor to ensure a regular dividend income for the shareholders and long-term capital appreciation for stakeholders of the Company.

Regulation 43A of Listing Regulations mandates that top 1,000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

Circumstances under which shareholders may expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declare Dividend in any financial year.

The Dividend for any financial year will normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

At present, Company is paying dividends regularly by way of an interim and / or final dividend each year.

Interim, Special and Final Dividend

The Board may declare one or more Interim / Special 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 / Annual General meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by the Regulations.

Financial parameters and other internal and external factors that would be considered while declaring Dividend

- Distributable surplus available as per the Act and Regulations;
- The Company's liquidity position and future cash flow needs;
- Track record of Dividends distributed by the Company;
- Payout ratios of peer Companies;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution;
- Working Capital, Capital expenditure requirements considering the expansion and acquisition opportunities;
- Corporate actions resulting in significant cash outflow for the Company;
- Macro-economic and business conditions in general;
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

The Board may consider not declaring dividend or may recommend a lower / higher payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

Parameters that will be adopted regarding various classes of shares

The Company has only one class of shares, i.e., Equity for which this Policy is applicable. The dividend when declared will be on per share basis only.

Policy as to how the retained earnings will be utilized

Retained earnings would be used to further the Company’s business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders by way of dividends or other means as permitted under applicable regulations.

Dividend Payout Ratio

We expect our dividend payout to be in line with our past payout ratios, in the range of 20% to 40% of profit after taxes. The Board has the discretion to recommend a higher or lower dividend keeping in mind the business considerations and other corporate actions which result in high utilization of cash. Apart from the above, the Board also considers past dividend history and sense of shareholders’ expectations while determining the rate of dividend.

Review & Amendment

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the Policy as may be expedient considering the law for the time being in force.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Definition of Terms

Term / Abbreviation	Definition / Expansion
AGM	Annual General Meeting of the Company
Board	Board of Directors of the Company
Dividend	Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend and Special Dividend.
SEBI	Securities and Exchange Board of India

Approved By

The Board at its meeting held on 21st July 2021 approved the same.

