



DIVIDEND DISTRIBUTION POLICY OF

SOLAR INDUSTRIES INDIA LIMITED

A. REGULATORY FRAMEWORK:

The Securities Exchange Board of India (“SEBI”) on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Solar Industries India Limited being one of these listed companies as per the market capitalization, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. POLICY STATEMENT:

The Board of Solar Industries India Limited (the Board) is committed to a policy of providing consistent dividend streams to shareholders while maintaining a strong balance sheet and retaining flexibility to meet the businesses financial needs.

C. DEFINITION:

Unless repugnant to the context:

“Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

“Applicable Laws” shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

“The Company” shall mean Solar Industries India Limited.

“Chairman” shall mean the Chairman of the Company.

“Compliance Officer” shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Board” or “Board of Directors” shall mean Board of Directors of the Company.

“Dividend” shall mean Dividend as defined under Companies Act, 2013.

“MD” shall mean Managing Director of the Company.

“CEO” shall mean Chief Executive Officer of the Company.

“Policy or this Policy” shall mean the Dividend Distribution Policy.

“SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

“Subsidiary” shall mean Subsidiary of the Company as defined under the Companies Act, 2013.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

D. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND:

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

E. PARAMETERS FOR DECLARATION OF DIVIDEND:

The Company has only one class of shares referred to as equity shares of the face value of Rs. 2 each, forming part of its Issued, Subscribed and Paid – up share capital.

The Company shall maintain a consistent dividend policy that balances the dual objective of appropriately rewarding shareholders through dividend and retaining capital in order to maintain a healthy capital adequacy ratio to support the future growth. The Company would endeavor to maintain a total dividend payout ratio of 30% of its distributable profits after transferring to statutory and other reserves (inclusive of taxes).

The Company will broadly take into consideration the following internal financial parameters and external factors to determine whether or not to declare dividend or to determine the quantum of dividend to be declared.

Internal Factors (Financial Parameters):

1. Dividends declared will take into account current year earnings and business outlook.
2. Cash flow position of the company and the debt equity ratio;
3. Capex needs based on business plans;
4. Dividend payout history.

External Factors:

1. Business cycles and long term/ short term Industry outlook;
2. Finance Cost,
3. Changes in the Government policies, rate of inflation and taxes structure etc.

4. Quantum of dividend payout by other comparable concerns etc.;

F. PROCEDURE:

1. The MD, CEO and the CFO, considering various internal and external factors and the overall performance of the Company, shall jointly make a recommendation to the Board of Directors with regard to whether or not to declare a dividend and in case a dividend is recommended, the quantum of dividend to be declared.
2. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

G. UTILISATION OF RETAINED EARNINGS:

The retained earnings of the Company may be used in any of the following ways;

- Capital expenditure and for the purpose of any organic and/or inorganic growth
- Declaration of Dividend
- Issue of Bonus shares or buy back of shares
- Other permissible usage as per the Companies Act, 2013.

H. POLICY REVIEW:

The Board may review the Policy from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

I. WEBSITE:

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company

SATYANARAYAN NUWAL
CHAIRMAN