

SHRADHA AI TECHNOLOGIES LIMITED

(Formerly known as Shradha Industries Limited)

CIN: L51227MH1990PLC054825

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DIVIDEND DISTRIBUTION POLICY

The Board of Directors (hereinafter referred to as the "Board") of Shradha AI Technologies Limited (Formerly known as Shradha Industries Limited) (hereinafter referred to as the "Company") at its meeting held on 14th November, 2022 has approved and adopted this Dividend Distribution Policy (herein after referred to as the "Policy") as per the provisions of Regulation 43A of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations").

PURPOSE:

The purpose of this Policy is to set up the parameters to be taken into account by the Board of the Company before declaring or recommending dividend. The Company endeavors to pay dividend having in view its policy of meeting the long-term growth objectives from internal accruals and it will continue to stick to it.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Board of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. While determining the dividend to be declared or recommended the Board shall take into consideration the advice of the management of the Company and the planned and future investments need of the Company for growth apart from other parameters set out in this Policy. The Board of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be judicious to retain profit for the then ongoing or planned business expansion or other factors which may be considered of more priority and in the larger interest of stakeholders by the Board.

PARAMETERS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING DIVIDEND:

The Board of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for next three to five years
- Expected future capital / liquidity requirements
- Any other relevant factors and material events

The Board of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.

Regulatory changes — 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.

Technological changes which necessitate significant new investments in the business in which the Company is engaged.

UTILISATION OF RETAINED EARNINGS:

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other purpose, as the Board of the Company may deem fit.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

The Company has issued only equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

CONFLICT IN POLICY:

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

AMENDMENTS:

The Board may, from time to time, make necessary amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.
