

## STL NETWORKS LIMITED

### DIVIDEND DISTRIBUTION POLICY

**Owner:**  
Secretarial Department

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1.0

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## 1. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

This policy is framed in accordance with the requirements of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions of the Companies Act, 2013 (“the Act”) and adopted by the Board of Directors (the “Board”) of STL Networks Limited (the “Company” or “SNL”) at its meeting held on March 06, 2025.

## 2. Philosophy

The philosophy of the Company is to maximize the shareholders’ wealth through the prudent use of various financial tools and mechanisms for balancing sustainable periodic returns to shareholders and funds required for growth. Our intent is to reward the shareholder through distribution of profits after retaining sufficient funds for various purposes including future growth, organic/ inorganic opportunities, cash flow requirements etc to the shareholders.

## 3. Regulatory Framework

Pursuant to the provisions of Regulation 43A in SEBI Listing Regulations, requires top thousand listed companies (based on market capitalization) to formulate a Dividend Distribution Policy. SNL has framed this policy to comply with the requirements of the SEBI Listing Regulations.

## 4. Definitions

4.1. Unless repugnant to the context:

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

4.1.2 “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.

4.1.3 “Company” or “SNL” shall mean STL Networks Limited.

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

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

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

4.1.7 “SEBI Listing 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.

4.2. Interpretation - Words and expressions used and not defined in this Policy but defined in the Act or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

## **5. Parameters for declaration of Dividend**

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

### 5.1.1 Financial Parameters / Internal Factors/ External Factors:

The Board of Directors of the Company would consider the following financial/ internal/ external parameters before declaring or recommending dividend to shareholders:

- a. Consolidated net operating profit after tax;
- b. Working capital requirements;
- c. Capital expenditure requirements;
- d. Resources required to fund acquisitions and / or new businesses/any buy-back plans;
- e. Cash flow required to meet contingencies;
- f. Outstanding borrowings;
- g. Past Dividend Trends;
- h. Requirements for maintaining minimum amount as cash or bank balance;
- i. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws, any political changes in the geographies in which the Company operates;
- j. Any significant change in the business or technological environment
- k. Dividend pay-out ratios of companies in the same industry;
- l. Economic Viability;
- m. Any other significant developments that require cash investments or any changes in the competitive environment requiring significant investment.

### 5.2 Circumstances under which the shareholders may or may not expect Dividend:

The Board shall consider the parameters/ factors provided above before declaring any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc. The decision to decide on dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company. However, the shareholders of the Company may not expect Dividend under the following circumstances -

- a. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- b. Significantly higher working capital requirements adversely impacting free cash flow;

- c. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- d. Whenever it proposes to utilise surplus cash for buy-back of securities; or
- e. In the event of inadequacy of profits or whenever the Company has incurred losses.

#### 5.3 Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

#### 5.4 Parameters adopted with regard to various classes of shares:

At present, the Share Capital of the Company comprises only of equity shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

### **5 Disclosure**

The Company shall make appropriate disclosures as required under the SEBI Listing Regulations.

### **6 Review**

This Policy will be reviewed and amended as and when required by the Board.

### **7 General**

In the event of any conflict between the Act or the SEBI Listing Regulations or any other statutory enactments (“Rules”) and the provisions of this policy, the Rules shall prevail over this policy. Any subsequent amendment/ modification in the Regulations, in this regard shall automatically apply to this policy.

This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.