



STARLINEPS ENTERPRISES LIMITED

DIVIDEND DISTRIBUTION POLICY

[Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Last review date: 20th May, 2025



1. PREAMBLE

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, requires the top 1,000 companies (based on market capitalization every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in the Company's Annual Report and on its website.

The Company does not fall among these 1,000 companies but the Board has voluntarily set the framework for a dividend to shareholders and adopts the policy. As the Policy is in the interest of providing transparency to shareholders, explains the circumstances and different factors the Board will consider at the time of deciding on the use of profits. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company.

The Board of Directors (the "Board") of **StarlinePS Enterprises Limited** (the "Company"), has adopted this Dividend Distribution Policy (the "Policy"), pursuant to the terms of Regulation 43A of the SEBI (LODR) Regulations, 2015, read with SEBI (LODR) (Second Amendment), 2016.

2. DEFINITIONS

In this Policy, words and expressions shall have the meaning assigned to them below:

"Board" shall mean the Board of Directors of the Company;

"Act" shall mean The Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, and as amended from time to time;

"Dividend" includes any interim dividend;

"Listed Entity / Company" shall mean StarlinePS Enterprises Limited;

"Policy" means Dividend Distribution Policy;

"Stock Exchange" shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

3. DIVIDEND

- a) The Dividend represents the profit of the Company, which is distributed to stakeholders in proportion to the amount paid-up on shares they hold. The Dividend includes Interim Dividend.
- b) The term 'Dividend' has been defined under Section 2(35) of the Act as which includes any interim dividend. It is an inclusive and not an exhaustive definition.

4. LAWS AND REGULATIONS

- a) The declaration and payment of Dividend is governed by-
 - i) Chapter - VIII of the Act, from section 123 to 127 which deals with Declaration and payment of the Dividend



- ii) The Companies (Declaration and Payment of Dividend) Rules, 2014
 - iii) Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001
 - iv) Listing Regulations
 - v) Section 27 of Securities Contract Regulation Act, 1956
 - vi) Income Tax Act, 1961
 - vii) SEBI Guidelines/Circulars etc. as amended from time to time and to the extent applicable.
- b) The Company will adhere to the provisions of applicable Laws as amended from time to time and to the extent applicable.

5. POLICY

A) Circumstances under which the Shareholders may or may not expect dividend:

A dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company versus the amount of profit to be retained in business. The decision must balance the dual objective of appropriately rewarding shareholders and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company will not be paid a dividend in the following circumstances, subject to discretion of the Board of Directors:

- 1) Proposed expansion plans requiring higher capital allocation;
- 2) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches, etc. which requires significant capital outflow;
- 3) Requirement of higher working capital for the purpose of business of the Company;
- 4) Proposal for buy-back of securities;
- 5) In the event of losses or inadequate profit.
- 6) Inadequacy of cash balance
- 7) Adverse market conditions and business uncertainty

B) Parameters and factors for declaration of dividend

The dividend pay-out decision of the Board depends upon the following financial parameters, internal and external factors:

Financial parameters and Internal Factors:

- a) Operating cash flow of the Company;
- b) Profit earned by the Company (standalone) during the year;
- c) Profit available for distribution;
- d) Earnings per Share ("EPS");
- e) Working capital requirements;
- f) Capital expenditure requirements such as for business expansion, technological advancement, corporate restructuring including investments in subsidiaries, joint ventures and associates of the Company;
- g) Likelihood of crystallization of contingent liabilities, if any;
- h) Upgrading technology and physical infrastructure;
- i) Creation of a contingency fund to deal with any matter of emergency as approved by the Board;
- j) Cost of Borrowings;
- k) Past dividend pay-out ratio / trends.



- l) Any other factor as may be deemed fit by the Board.

External Factors:

- a) Economic environment;
- b) Government regulations;
- c) Capital markets;
- d) Global conditions;
- e) Statutory provisions and guidelines;
- f) Dividend pay-out ratio of competitors with similar revenue

C) Utilization of the Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. Decisions on the utilization of the retained earnings of the Company shall be based on the following factors:

- 1) Improving the Company's offerings to help it compete better in the market;
- 2) Expanding the Company's offerings to allow for increased revenue;
- 3) Increasing staff or equipment or ancillary resources to help the Company consolidate and grow its business;
- 4) Modernization plan including upgrading essential technology;
- 5) Diversification of business;
- 6) Long term strategic plans;
- 7) Replacement of capital assets;
- 8) Where the cost of debt is expensive;
- 9) Dividend payment;
- 10) Such other criteria as the Board may deem fit from time to time.

D) Manner of the Dividend pay-out

- a) In case of final Dividend:
 - i) Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the stakeholders of the Company.
 - ii) The Dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
 - iii) The payment of the Dividends shall be made within the statutorily prescribed period after declaration, to those stakeholders who are entitled to receive the Dividend on the record date/book closure period, as per the applicable law.
- b) In case of interim Dividend:
 - i) Interim Dividend, if any, shall be declared by the Board.
 - ii) Before declaring interim Dividend, the Board shall consider the financial position of the Company that allows the payment of such Dividend.
 - iii) The payment of the Dividends shall be made within the statutorily prescribed period after declaration, to those stakeholders who are entitled to receive the Dividend on the record date/book closure period, as per the applicable laws.



- iv) In case no final Dividend is declared, interim Dividend paid during the year, if any, will be regarded as the final Dividend in the Annual General Meeting.

E) Parameters for various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all Members of the Company are entitled to receive the same amount of dividend per share. 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 if and when the Company decides to issue any other classes of shares.

6. DISCLOSURES

The Dividend Distribution Policy shall be disclosed on the website of the Company.

7. CONFLICT IN POLICY

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

8. POLICY REVIEW AND AMENDMENTS

This Policy will be modified in accordance with the guidelines / clarifications as may be issued from time to time by any relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with applicable regulations and must be approved in the manner decided by the Board of Directors.
