SHRADHA PROJECTS LIMITED

DIVIDEND DISTRIBUTION POLICY

In pursuance of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of Shradha Projects Limited ("Company") has approved and adopted this "Dividend Distribution Policy" ("Policy").

Subject to the provisions of the Companies Act, 2013, rules framed thereunder and any other laws and regulations as may be applicable, the Board of Directors may declare interim dividend or recommend declaration of final dividend by the shareholders.

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these divergent needs. The dividend pay-out of a Company is driven by several factors and parameters.

The parameters for recommendation/ declaration of dividend are as under:

I. The circumstances under which the shareholders of the Company may or may not expect dividend.

The decision regarding dividend pay-out would seek to balance the dual objective of appropriately rewarding the shareholders through dividend and retaining profits for business needs of the Company.

The shareholder may expect dividend out of the profits of a financial year if there are adequate available profits of the Company for such financial year and such profits are not required to be retained for business needs of the Company.

The shareholders may not expect dividend for a financial year if the profits of the Company for such financial year are not adequate for payment of dividend or otherwise required to be retained for business needs of the Company.

Without prejudice to the above, subject to the provisions of the Companies Act, 2013, the rules framed thereunder and any other laws and regulations, as may be applicable.

a) In case there are no profits or the profits are not adequate during a financial year for declaration of dividend, the Board of Directors may recommend payment of dividend, partly or fully, out of the profits of the Company for any previous financial year(s), provided such profits are not required to be retained for business needs of the Company.

b) The Board of Directors of the Company may consider recommending payment of dividend out of free reserves of the Company in case of inadequacy of profits during a financial year, if the Board of Directors is of the opinion that:

i. Inadequacy of profits is of temporary nature and the Company is expected to earn profits in the next 2 to 3 financial years; and

ii. The amount of dividend to be declared out of the reserves is not required to be conserved for business needs of the Company.

II. The Financial parameters and internal and external factors to be considered for payment of Dividend

The financial parameters and internal and external factors to be considered by the Board of Directors while taking decision for recommendation of dividend are as under:

a) Profitability of the Company

b) The requirement of funds for business needs of the Company such as replacement of capital assets, expansion and / or modernization, capital expenditure, investment in subsidiaries and joint venture(s), etc.

c) Mergers and acquisitions

d) Operating cash flow of the Company

e) Debt repayment obligations of the Company

f) Financial and other covenants agreed with the lenders / debenture trustee(s) of the Company

g) Cost of servicing outstanding debt

h) Cost of raising funds for the business needs of the Company

i) Policies of the Government of India relevant for the business and operations of the Company

j) Overall economic and business scenario

k) Regulatory or statutory restrictions in respect of declaration or payment of dividend

l) Taxes and levies applicable in respect of declaration / payment of dividend

m) Requirement of funds for meeting contingent liabilities

n) Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company

III. Policy in respect of utilization of retained earnings

The retained earnings of the Company can be utilized by the Company for the following:

a) Declaration of dividend in the manner specified above in the Policy

b) Issue of Bonus shares

c) Augmenting the internal resources including working capital

d) Funding of capital expenditure and / or expansion / modernization plans of the Company

e) Repayment of Debt

f) Investments in subsidiaries / joint venture(s)

g) Buy-back of shares of the Company

h) Investment in new business(s)

i) Any other purpose as may be determined by the Board of Directors subject to the provisions of the applicable laws

IV. Parameters to be adopted for various classes of shares

The Company has presently issued only one class of shares i.e. equity shares, without any preference or priority in respect of payment of dividend.

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the provisions of Statutory Provisions shall prevail.

Review:

This Policy is subject to review / revision by the Board of Directors whenever felt necessary.