

## ADVANCED SYS-TEK LIMITED

### DIVIDEND DISTRIBUTION POLICY

**Effective Date: 11.09.2024**

#### **1. PREAMBLE**

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015" as amended (the "Listing Regulations"), it is mandatory to have a Dividend Distribution Policy in place by the top one thousand listed companies based on the market capitalisation calculated as on March 31, every financial year. The board of directors (the "Board") of Stanley Lifestyles Limited (the "Company") has adopted and formulated Dividend Distribution Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company's website at [www.advancedsystemek.com](http://www.advancedsystemek.com).

#### **2. DEFINITIONS**

The terms referred to in this policy ("Policy") will have the same meaning as defined under the Companies Act, 2013 (the "Act") and the rules made there under and the Listing Regulations.

#### **3. EFFECTIVE DATE**

The Policy will come into effect from 11<sup>th</sup> September, 2024.

#### **4. OBJECT**

The object of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Policy aims to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient funds are retained for the growth of the Company.

#### **5. DEFINITIONS**

In this Policy:

(a) "Act" means the Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made there under.

(b) "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, together with the circulars issue

thereunder; and such other act, rules or regulations which deals with the distribution of dividend.

(c) "Board or Board of Directors" shall mean Board of Directors of the Company.

(d) "Dividend" includes interim dividend.

**Interpretation:** - Words and Expressions used and not defined in this Policy but defined in the Act or Applicable Laws shall have the same meaning respectively assigned to them in those Acts/Applicable Laws

## 6. SCOPE

The Policy covers the following:

### a) Dividend to Equity Shareholders of the Company:

The Dividend will be distributed equally among all the equity shareholders based on their shareholding on the record date. 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.

### b) Interim Dividend:

Interim Dividend(s), if any, shall be declared by the Board. In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting ("AGM").

### c) Final Dividend:

Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company. The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

## 7. PARAMETERS TO BE CONSIDERED

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

**a) Statutory Requirements:** The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

**b) Financial/Internal Factors:** The Board shall consider following internal factors:

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299 - 300, G.I.D.C., Makarpura, B/H., Novino Battery, Vadodara – 390 010, Gujarat, INDIA

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CIN : U33112GJ1988PLC010464

- 1) Company's Liquidity position including its present and expected obligations.
- 2) Profits earned during the Financial Year of the Company.
- 3) Present and Future Capital expenditure plans of the Company including organic / inorganic growth opportunities.
- 4) Financial commitments with respect to the outstanding borrowings and interest thereon.
- 5) Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
- 6) Past dividend trend of the Company and the Industry.
- 7) Cost of borrowings.
- 8) Other corporate action options (For example, Bonus issue, Buy back of shares).
- 9) Retained Earnings
- 10) Earnings outlook for next three to five years
- 11) Any other relevant or material factor as may be deemed fit by the Board.

**c) External Factors:** The Board shall consider following external factors while declaring dividend or recommending dividend to shareholders:

- 1) State of economy and capital markets.
- 2) Applicable taxes including dividend distribution tax.
- 3) Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
- 4) Any other relevant or material factor as may be deemed fit by the Board.
- 5) Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company;
- 6) Any political, tax and regulatory changes in the geographies in which the Company operates;
- 7) Any significant change in the business or technological environment resulting in the Company
- 8) making significant investments to effect the necessary changes to its business model; and
- 9) Any changes in the competitive environment requiring significant investment.

## **8. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND**

The Company may be restrained to declare dividends in following circumstances: Inadequate profits: If during any financial year, the profits of the Company are not adequate, the Board may decide not to recommend any dividend for that year. Dividend not to be declared out of reserves: As a rule, dividend for any particular financial year shall be recommended or paid out of the Profit of that financial year and the Board shall not declare or recommend any dividend out of the reserves, except for reasons to be expressly laid down. Any decision in this regard shall be reflected in the Annual Report and website of the Company while declaring/ recommending dividend.

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## **9. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS**

Entitlement:

The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.

Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

## **10. MANNER OF UTILISATION OF RETAINED EARNINGS**

The retained earnings shall be deployed in line with the objects of the Company as detailed in Memorandum of Association of the Company. The Company shall endeavour to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and its shareholders. The decision of utilization of the retained earning shall be based on the factors like strategic and long-term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

## **11. AMENDMENT**

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

Sd/-

Shirish M. Adi

Managing Director

DIN: 03259129