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CIN : U99999MH1989PLC054206



Works : Plot # 31 to 36, 45 to 49/2, 142 (Exp. Area), G.I.D.C. Umbergaon, & Survey No. 102/2 & 102/3, Village - Dehri, District - Valsad, Gujarat - 396171, India.
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VAT / GSTIN : 24AAACC4713B1ZG



DIVIDEND DISTRIBUTION POLICY

(As approved by the Board of Directors in their meeting held on 20th March 2026)

Chandan Steel Limited
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DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE:

The Dividend Distribution Policy (“the **Policy**”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company in accordance with the provisions contained in Companies Act, 2013 (“**Act**”) read with the applicable rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However, this document does not solicit investments in the Company’s equity shares.

The Policy shall come into force from 20th March 2026.

2. BASIS OF DECLARATION OF DIVIDEND:

Dividend would be declared on per share basis on the ordinary equity shares of the Company having face value Rs. 02/- each, post approval of the Board of Directors of the Company. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

3. DECLARATION OF DIVIDEND:

Dividends will generally be recommended by the Board of Directors of the Company (“**Board**”) once a year, after the announcement of the full year results and before the Annual General Meeting (“**AGM**”) of the shareholders, as may be permitted by the Act.

The Board may also declare interim dividends as may be permitted by the Act.

Subject to the provisions of the applicable law, the Company’s dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

4. FACTORING EFFECTING DIVIDEND PAYOUT:


While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:


(a) Statutory Requirements:

The Board shall comply with the provisions of the Act 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 time of taking decision with regard to dividend declaration or retention of profit.

(b) Internal Factors:

(i) Profitable growth of the Company and specifically, profits earned during the financial year as compared with:

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- (A) Previous years and
- (B) Internal budgets,
- (ii) Cash flow position of the Company,
- (iii) Accumulated reserves,
- (iv) Earnings stability,
- (v) Future cash requirements for organic growth/expansion and/or for inorganic growth,
- (vi) Brand acquisitions,
- (vii) Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
- (viii) Deployment of funds in short term marketable investments,
- (ix) Long term investments,
- (x) Capital expenditure(s), and
- (xi) The ratio of debt to equity (at net debt and gross debt level).
- (c) External Factors:
 - (i) Business cycles,
 - (ii) Economic environment,
 - (iii) Cost of external financing,
 - (iv) Applicable taxes including tax on dividend,
 - (v) Industry outlook for the future years,
 - (vi) Inflation rate, and
 - (vii) Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. 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. In such event, the Board will provide rationale in the annual report and website of the Company.

5. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- (a) Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- (b) 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.

6. 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 also 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.

7. DISCLOSURE

This Policy shall be disclosed Company's website and a web-link shall also be provided in their annual reports. Further, in case the Company decides to declare dividend on the basis of parameters in addition to those mentioned in this Policy, or proposed to change the parameters, or change the Policy, all such changes along with rationale for the same shall be disclosed in the annual reports and on the Company's website.

8. REVIEW OF POLICY

This Policy may be reviewed periodically by the Board. Any changes or revisions to the Policy will be communicated to shareholders in a timely manner.