PACKAGING SOLUTIONS

DIVIDEND DISTRIBUTION POLICY

Introduction

The Policy's objective is to maintain guidelines for the Board of Directors ("**Board of Directors/ Board**") of S.D. International Limited ("**Company**") to follow when declaring or recommending the amount of dividend (interim or final) per share. A dividend policy determines the ratio of dividends to retained earnings. Retained earnings are an important source of internal finance for the Company's long-term growth, whereas dividends reduce the Company's available cash funds.

Further predictability in dividend distribution plays a critical role in creating shareholder value. Given the importance of dividend in creating shareholder value, the Company has adopted this Dividend Distribution Policy ("**Policy**") to promote transparency in its financial operations, which is also a requirement stipulated in Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). This Policy is effective from the date of its adoption by the Board.

Statutory Requirements

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act") in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, the SEBI Listing Regulations, such other applicable provisions of law and the Articles of Association of the Company as amended.

Purpose and Objective

This Policy aims to reward its shareholders by sharing a portion of its profits / earnings, while also ensuring that enough funds are retained to meet the Company's future needs. This policy focuses on ensuring dividend income for shareholders as well as long-term capital appreciation for the Company's stakeholders.

This Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The policy sets out the principles to determine the amount that can be distributed to equity shareholders as dividend.

Definitions

a) **"Act"** means Companies Act, 2013 and rules and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) 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 together with the circulars issued thereunder; as amended from time to time and such other act, rules or regulations which deal with the distribution of dividends.

c) **"Board"** or "**Board of Directors**" shall mean board of directors of the Company.

d) "Company" means S.D. International Limited

e) **"Dividend"** includes interim dividend. Words and expressions used and not defined in this Policy but defined in the Act or other Applicable Laws shall have the same meaning respectively assigned to them in those Applicable Laws.

f) "Policy" means this policy on Dividend Distribution as amended from time to time.

g) "Financial year" shall mean the period starting from 1st day of April and ending on 31st day of March every year.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and SEBI Listing Regulations, as may be amended from time to time, shall have meaning respectively assigned to them therein.

Category of Dividends

The Company may declare or recommend the following types of dividends in accordance with the provisions of the Act and other Applicable Laws:

a) Final Dividend

The Board of Directors of the Company has the power to recommend the payment of a Final Dividend to the shareholders in a general meeting, which shall be paid once for the financial year after the annual accounts is prepared. The declaration and payment of such Final dividend shall be subject to the approval of shareholders of the Company and shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

b) Interim Dividend

The Board of Directors of the Company, in accordance with Article of Association of the Company, can declare an interim dividend during the any current financial year, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts

c) Special Dividend

The Board may, subject to the provisions of the Act and Applicable Laws, recommend or declare a special dividend in exceptional circumstances, including but not limited to extraordinary profits, gains arising from strategic divestments, sale of investments or assets, or any other non-recurring event resulting in significant surplus funds.

DECLARATION OF DIVIDEND

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 subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.

Parameters Considered While Recommending/ Declaring Dividend

The Board of Directors of the Company shall consider the following circumstances or parameters for declaration of dividend:

a) Circumstances under which the shareholders may/ may not expect dividend

The shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation etc., and complying with all other statutory requirements of the Act. Company's immediate expansion plan shall also be an important factor for considering and declaring dividend.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

i. the Company has inadequacy of profits or incurs losses for the financial year.
ii. the Company undertakes/ proposes to undertake a significant expansion project requiring higher allocation of capital.
iii. the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
iv. the Company has significantly higher working capital requirement affecting free cash flow.
v. the Company proposes to utilize surplus cash for buy- back of securities.
vi. restrictions in loan / NCD agreements on account of covenants therein.
vii. weak industry / business outlook whereby it is prudent in the eyes of the Board to conserve cash than pay out dividend.

b) Financial/ Internal Parameters

i. Financial performance of the Company including profits earned and available for distribution during the financial year.
ii. Accumulated reserves, including retained earnings.
iii. Mandatory transfer of profits earned to specific reserves, such as debenture redemption reserve, etc.
iv. Past dividend trends i.e., rate of dividend, earnings per share and payout ratio, etc.
v. Liquidity position including its present and expected obligations and return ratios.
vi. Present and future capital expenditure requirement plans of the Company.
vii. Earnings outlook for next three to five years.
viii. Additional investments in subsidiaries/ associates of the Company.
ix. Other corporate action options (for ex. bonus issue, buy back of shares).
x. Capital restructuring, debt reduction, capitalisation of shares.
xi. Crystallization of contingent liabilities of the Company.
xii. Current and projected cash balance and Company's working capital requirements.
xiii. Covenants in loan agreements, debt servicing obligations and debt maturity profile.
xiv. Cost of borrowings.
xv. Financial commitments with respect to the outstanding borrowings and interest thereon.
xvi. Minimum cash required for contingencies or unforeseen events.
xvii. Any other significant developments that require cash investments.
xviii. Circumstances under which the shareholders of the listed entities may or may not expect dividend.
xix. Any other relevant or material factor as may be deemed fit by the Board.

c) External Factors

i. Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients.
ii. Any political, tax and regulatory changes in the geographies in which the Company operates.

iii. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model.
iv. Any changes in the competitive environment requiring significant investment.
v. Any other relevant or material factor as may be deemed fit by the Board.

Board at their discretion and in compliance with applicable rules/ regulations can also recommend/ declare dividend as an exception to above mentioned parameters.

Manner of Utilisation of 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.

The decision of utilization of the retained earnings of the Company shall be based on the following factors:

i. Long term strategic plans.
ii. Market and product expansion plan.
iii. Modernization plans.
iv. Diversification of business.
v. Replacement of capital assets.
vi. Other such criteria as the Board may deem fit from time to time.

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 thereunder. 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 annual general meeting in case of final dividend.

Parameters for various classes of shares

The Company, as of date, has only Equity shares with the same rights for all the shareholders. In the event the Company issues in the future any shares with preferential rights over equity shares, the same shall be adhered to in accordance with the terms of such issue. **General**

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company, from time to time.

Amendments

This Policy will be reviewed periodically by the Board/ Committee as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to this Policy.

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Interpretation

In case of any conflict or subsequent changes in the provisions of the applicable law, the applicable law would prevail over this Policy and the provisions in this Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in Companies Act, 2013, as amended, SEBI Listing Regulations, and/or applicable laws in this regard shall automatically apply to this Policy.

Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

Disclosure

This Policy will be disclosed on the Company's website at https://sdpack.in/.

Version History

Version	Approved By	Approval Date	Effective Date
1st Version	Board of Directors	20/08/2026	[This Policy shall come into force with effect from listing of the Company on Recognized Stock Exchange(s).