

17/02/2015

**SFL Policy for Distribution of Dividends**  
**[Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

The SFL Policy (the Policy) for Distribution of Dividends shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for distribution of dividends, based on the following parameters:

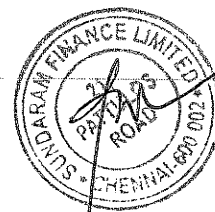
1. The Board of Directors may declare one or more interim dividends after considering various financial and other parameters. The Board may recommend final dividend after approval of the final audited accounts.
2. Dividends shall generally be declared out of the annual standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.
3. The Board will generally endeavour to maintain a dividend payout ratio (including dividend distribution tax) of 20% – 30% of the annual standalone profit after tax for each financial year.
4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:

(a) Internal Factors

- Growth in volume of business
- Quality of assets
- Profitability position
- Stability of earnings
- Carried forward balance in P & L account
- Accumulated reserves

(b) External Factors

- Macro-economic environment
- Performance of the automotive sector
- Changes in governmental policies
- Regulatory changes



5. The retained earnings of the Company may be used, *inter alia*, for one or more of the following purposes:

- (i) Growth plans;
- (ii) Capital expenditure;
- (iii) Working capital requirements;
- (iv) Capitalisation;
- (v) Investment in new lines of business and / or additional investment in existing lines of business;
- (vi) Repayment of debt;
- (vii) Meeting contingency plans; and
- (viii) Any other purpose as may be permitted by law.

The Board may consider utilising the retained earnings for declaration of dividend under special circumstances.

