

SUDITI INDUSTRIES LTD.



C-3/B MIDC, TTC INDL.AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 705

Tel. No: 67368600/10: E-mail: cs@suditi.in: CIN No.L1910MH1991PLC063245; Website: www.suditi.in

Reg. Off: C-253/254, MIDC, TTC INDL.AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 705.

DIVIDEND POLICY

PREAMBLE

Section 123 of the Companies Act, 2013 has prescribed the necessary provisions along with rules for the declaration and distribution of Dividend. The company has adopted certain specific policies for the effective management in the declaration and distribution dividend.

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above.

1. **OBJECTIVE:** To ensure proper framework for the effective management in the declaration and of distribution of dividend to keep the aspirations of the shareholders as well as the growth aspect of the organization as a whole by duly complying with the provisions of SEBI and Companies Act read with applicable Rules and the secretarial standards framed thereunder.

2. **CLASSES OF SHARES:** Currently the company has only one type of shares i.e. equity. However the Company may pay dividend to preference shareholders, as and when applicable in the future if issued, prior to considering payment of dividend to equity shareholders.

3. **CATEGORY OF DIVIDENDS:** Companies Act provides for two forms of Dividend i.e. Interim & Final. Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. Board of Directors shall have the power to recommend final dividend, including interim dividend, to the shareholders for their approval in the general meeting of the Company.

4. FACTORS TO CONSIDER WHILE DECLARING DIVIDEND:

A) Profit earned by the Company can either be retained in business for acquisitions, expansion, diversification, etc. or it can be distributed to the shareholders. 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 needs.

B) The first priority for the management will be to ensure the payment of the dividend to the public shareholders and accordingly in case of requirement to retain the profits for various reasons stated below, the management will still look into the aspirations of the public shareholders, provided the promoters support the initiative of the board by permitting the company to retain their part of the distributable profits with the company as promoters holds almost 65-70% of the share capital.

C) The Board of Directors will refer to this policy while declaring/recommending dividends on behalf of the company.

D) Board of Directors shall endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares.

E) Dividend pay-out decision shall depend on certain external and internal factors which include, but are not limited to: External Factors: - I. Compliance of all requirement prescribed under Companies Act for declaration of dividend. II. Economic conditions prevailing in that financial year, e.g. in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks. III Capital market conditions like, favorable markets, dividend pay-out can be liberal whereas in case of unfavorable market conditions, Board may resort to

SUDITI INDUSTRIES LTD.



C-3/B MIDC, TTC INDL.AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 705

Tel. No: 67368600/10: E-mail: cs@suditi.in: CIN No.L1910MH1991PLC063245; Website: www.suditi.in

Reg. Off: C-253/254, MIDC, TTC INDL.AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 705.

conservative dividend pay-out in order to conserve cash outflows. Internal Factors:- a. Profits earned & Cash flow position in that year; b. Working capital requirement in foreseeable future; c. Present & future capital expenditure for expansion/ up gradation; d. Brand/Business Acquisitions; e. Additional investments in subsidiaries/joint ventures; f. Investments in new businesses; g. Any other factors as deemed fit by the Board.

F).DIVIDEND PAYOUT: a) The Board will endeavor to maintain Dividend pay- out in the range of 2% to 30% of profits after tax (PAT) on standalone financials b) In case of inadequacy or absence of profits in any financial year, dividend may be declared for that year out of accumulated profits of previous years subject to provision of the Companies Act & Companies (Declaration and Payment of Dividend) Rules, 2014 c) In case company incurs loss, Board at its discretion may decide not to recommend any dividend d) In case of extra-ordinary capital expenditure programme, acquisition, diversification ,re-location etc., company may not declare dividend with a view to conserve resources e) The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments, etc.

G) UTILISATION OF RETAINED EARNINGS: Retained earnings will be utilized for any of the following purposes: a) Working capital requirement in foreseeable future; b) Present & future capital expenditures for expansion/ up-gradation; c) Brand/ Business Acquisitions; d) Additional investments in subsidiaries/associates; e) Investments in new businesses.

H) REVIEW AND AMENDMENT: The Board may monitor, review and amend the policy from time to time as also whenever necessitated due to amendments in the Regulations/Act.

For and on behalf of the Board

Chairman
