

## **SURAJ PRODUCTS LIMITED**

**Regd. Office: At- Barpali, Po- Kesramal, Rajgangpur, Dist: Sundargarh, Odisha-770017  
CIN: L26942OR1991PLC002865**

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**Tel. No. : 09437049074 (EPBX Number)**

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### **DIVIDEND DISTRIBUTION POLICY**

*[Adopted by the Board of Directors at its meeting held on August 06, 2016]*

#### **Introduction**

The equity shares of Suraj Products Limited (the '**Company**') are listed on BSE Ltd. and Calcutta Stock Exchange Limited. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The Board of Directors of the Company (the '**Board**') has approved the Dividend Distribution Policy of the Company (the '**Policy**') which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders.

The objective of this Policy is to provide clarity to stakeholders on the cash and profit distribution strategies of the Company. The Board will refer to this Policy before giving its recommendations on the nature and quantum of dividends for any financial year. The Policy encompasses the following features:

#### **Periodicity of dividend**

Dividends will generally be declared once a year, after the announcement of the full year results and before the Annual General Meeting. The Board may declare interim dividend(s) as and when it may think fit. In certain years, which includes special occasions and years in which the Company has made exceptional gains, the Company may choose to declare a special dividend for its shareholders.

#### **Dividend Eligibility**

Dividend declared will be distributed among all the shareholders based on their shareholding on the record date.

#### **Target Dividend**

The dividend payout in each financial year, including interim dividends, will be based on financial and non-financial factors prevailing during such financial year.

#### **Considerations while recommending dividend**

The Board will consider the following factors before making any recommendation for the dividend:

➤ **Financial Factors**

- Profits earned during the financial year
- Accumulated reserves
- Earnings stability
- Future capital expenditure
- Cost of raising funds from alternate sources
- Cash flow position
- Leverage profile and, under exceptional circumstances, the amount of contingent liabilities

➤ **Non-Financial Factors**

- Inorganic growth plans
- Stage of business cycle
- Economic environment
- Legal and regulatory framework
- Past dividend trends
- Reinvestment opportunities
- Investor demands

**Use of retained earnings**

In any given financial year, the retained earnings of the Company are expected to be used across the following activities:

- Capital expenditure
- Inorganic growth
- General corporate purposes, including contingencies correcting the capital structure

**Review**

This Policy will be reviewed periodically by the Board.

**Availability**

The recent version of this Policy will be available on the website of the Company and will also be disclosed in the Annual Report.

**Compliance**

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed there under; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends; and the Articles of Association of the Company, as in force and as amended from time to time.