

# **SURATWWALA BUSINESS GROUP LIMITED**

**Regd. Office:** S. NO. 4/38, SUMANGAL, FIRST FLOOR, SAHAKAR COLONY BEHIND SBI,  
OFF KARVE ROAD, ERANDWANE PUNE 411004.  
**CIN:** L45200PN2008PLC131361

## **DIVIDEND DISTRIBUTION POLICY**

### **A. BACKGROUND AND APPLICABILITY**

The shares of Suratwwala Business Group Limited ('the Company') are listed on BSE SME Platform on Bombay Stock Exchange. As per 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 ("**Board**") of Suratwwala Business Group Limited ("**the Company**")

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

The objective of the Policy is to appropriately reward shareholders through dividends while retaining the capital required for supporting future growth.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

### **B. DIVIDEND DISTRIBUTION POLICY**

The Company is committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

### **C. DIVIDEND**

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

### **D. NEED AND OBJECTIVE OF DIVIDEND DISTRIBUTION POLICY**

**Regulation 43A of the Listing Regulations prescribes that the Dividend Distribution Policy shall include the following parameters:**

- a. the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b. the financial parameters and internal and external factors that shall be considered while declaring dividend;
- c. policy as to how the retained earnings shall be utilized; and
- d. parameters that shall be adopted with regard to various classes of shares:

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**a. The circumstances under which the shareholders of the listed entities may or may not expect dividend;**

The Board will assess the Company's financial requirements, including present and future growth opportunities and other relevant factors and declare Dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

- a. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital
- b. Significantly higher working capital requirements adversely impacting free cash flow
- c. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- d. In the event of inadequacy of profit or whenever the Company has incurred losses

**b. The financial parameters and internal and external factors that shall be considered while declaring dividend**

The amounts paid as dividends in the past will not be necessarily indicative of the dividend amounts, if any, that may be payable in future. The form, frequency and amount of future dividends shall be at the discretion of our Board and subject to the approval of our shareholders and will depend on various factors including but not limited to:

- a. Revenues
- b. Cash flows
- c. Financial condition (including capital position)
- d. Capital requirements considering the expansion and acquisition opportunities.
- e. Profit earned during the financial year
- f. Liquidity
- g. Cost and availability of alternative source of funding
- h. Retained earnings v/s expected return from the business
- i. Adequate cash utilization opportunities
- j. Applicable tax including tax on dividend
- k. Past dividend trend for the Company and the industry
- l. Any other relevant factors that the Board may deem fit to consider before declaring Dividend

**c. Policy as to how the retained earnings shall be utilized**

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

**d. Parameters that shall be adopted with regard to various classes of shares:**

Since the Company has only one class of equity shareholders, the dividend declared will be distributed equally among all the Shareholders, based on their shareholding on the record date.

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## E. PROCEDURE FOR PAYMENT OF DIVIDEND

- The management of the Company shall consider and recommend any amount to be declared/ recommended as dividend to the Board of Directors of the Company.
- The Agenda for the Board of Directors of the Company where dividend declaration or recommendation is proposed shall contain the rationale for the proposal.
- Pursuant to the provisions of the applicable laws and this Policy, the Board may declare dividend as and when they consider it fit, and recommend to the shareholders for their approval in the general meeting of the Company.
- The Company shall ensure compliance of provisions of all applicable laws in relation to declaration and payment of dividend

## F. MODIFICATION OF THE POLICY

The Management Committee of the Board of Directors is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

## G. WEBSITE

As per the provisions of the listing regulations, the policy shall be disclosed on the website of the Company [www.suratwwala.co.in](http://www.suratwwala.co.in).

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