

DIVIDEND DISTRIBUTION POLICY

This Policy applies to the distribution of Dividend by Suprajit Engineering Limited (“the Company”) in accordance with the provisions of the Companies Act, 2013 (‘the Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEBI, vide its notification dated July 08, 2016, notified Regulation 43A – Dividend Distribution Policy which requires top 500 listed Companies based on market capitalization to formulate Dividend Distribution Policy.

This Policy sets the parameters and circumstances that will be taken in to account by the Board of Directors of the Company in declaring dividend or retaining the profit, as the case may be.

A. THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND;

The Company shall comply with the Companies Act, 2013 and/ or rules made there under or such other applicable statutory / regulatory requirements, if any while declaring / recommending the dividend. The Board shall, after taking in to consideration financial performance of the Company, determine the dividend payable to the Shareholders.

B. THE FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND;

Following financial parameters shall be considered by the Board of Directors while distributing dividend:

- a. Working Capital requirement of the Company in near future
- b. Capital expenditure towards purchase / maintenance of machineries and Building
- c. Acquisition / take over as part of growth plans
- d. Cash required for contingencies
- e. Servicing the outstanding loans, etc



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C. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND;

The Board of Directors shall provide due regard to the following internal / external parameters while declaring or recommending the dividend:

- Any political, regulatory, or such other changes that may have major impact on the industry in which the Company is operating.
- Any changes in the competitive environment requiring significant investment
- Any significant changes in the business or technology, which requires substantial investment

D. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED;

The Company maintains sufficient amount of retained earnings to address the financing of working capital, capital expenditure, corporate actions, inter alia, buyback and reduction of capital, etc. and unanticipated and emergency expenditures. The Company may also use the retained earnings for such purposes as are within the provisions the Act, Rules, Listing Regulations and any other applicable law.

E. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

The provisions of this Policy shall be applicable to all the classes of Shares of the Company. Presently, the Company has only one class of Shares i.e. Equity Shares.

REVIEW / AMENDMENT:

The Board may review this Policy from time to time and may at its discretion amend the provisions of this Policy, whenever it thinks necessary. Any amendments in Companies Act, 2013 / or rules made there under or SEBI regulations or such other statutory amendments, to the extent applicable shall automatically apply to this Policy. In the event of any difference between Companies Act, 2013 and SEBI Regulations or such other statutory enactments ("the Regulations") and provisions of this Policy, the Regulations shall prevail.



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