

## **SUNTECK REALTY LIMITED**

### **DIVIDEND DISTRIBUTION POLICY**

#### **I. PREAMBLE**

The simplest ways for companies to communicate its Fundamentals, financial well-being and shareholder value is by way of Declaration and payment of Dividends over a period of Time and its power to increase them.

#### **II. OBJECTIVE**

By introducing the Dividend Policy we aim at ensuring regular returns to the Shareholders on their investment as well as maintaining sufficient reserves within the Company for its future growth and expansion.

The Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed there under, as may be in force for the time being (“Companies Act”).

#### **III. DIVIDEND DISTRIBUTION POLICY**

The Company is deeply 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.

#### **IV. PARAMETERS GOVERNING THE DISTRIBUTION OF DIVIDEND**

##### **A. Factors for recommendation/ declaration of Dividend**

##### **1. Financial Parameters / Internal Factors**

The Board shall consider the below mentioned financial parameters for the purpose of recommendation /declaration of dividend:

- a) Financial performance including profits earned, available distributable reserves etc;
- b) Capital expenditure and working capital requirements;
- c) Financial commitments w.r.t. the outstanding borrowings and interest thereon;
- d) Liquidity and return ratios;
- e) Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses;
- f) Provisioning for financial implications arising out of unforeseen events and/or contingencies;

## **2. External Factors**

The Board shall also consider the below mentioned external factors at the time of taking a decision w.r.t recommendation/declaration of dividend:

- a) Business Cycles;
- b) Economic Environment;
- c) Cost of external financing;
- d) Applicable taxes including tax on dividend,
- e) Industry outlook for the future years;
- f) Inflation rate; and
- g) Changes in the Government policies, industry specific rulings & regulatory provisions.

### **B. Circumstances under which the shareholders can expect dividend**

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year subject to statutory provisions as applicable.

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.

### **C. Manner of Utilization of Retained Earnings**

The retained earnings of the Company may be used in any of the following ways:

- Capital expenditure for working capital;
- Organic and /or inorganic growth;
- Additional investment in existing business(es);
- Declaration of Dividend;
- Capitalization of shares (Issue of Bonus Shares);
- Buy back of shares;
- General corporate purposes, including contingencies;
- Investment in new business(es);
- Any other permitted usage as per the Companies Act, 2013 and applicable statutes.

### **D. Other factors to be considered with regard to various classes of shares.**

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.

## **V. REVIEW AND DISCLOSURE OF POLICY**

The Board shall review the policy from time to time and the Board of Directors of the Company are authorised to make such alterations to this Policy as considered appropriate, subject to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.

We will disclose the Policy on the Company's website and a web link thereto shall be provided in the Annual Report.