

ADVAIT INFRATECH LIMITED

DIVIDEND DISTRIBUTION POLICY



This Policy has been adopted and approved by the Board of Directors at its meeting held on 5th December, 2019.

ADVAIT INFRATECH LIMITED- POLICY ON DIVDEND DISTRIBUTION

1. BACKGROUND:

- The objective of this policy is to provide the Dividend Distribution Framework to the stakeholder of the Company.
- The Board of Directors shall recommend Dividend according to the provisions of the Companies Act, 2013 and rules made thereunder and in accordance with the compliance of the Securities and Exchange Board of India (Listing Obligation Disclosure Requirement) Regulation,2015 and other applicable legal Provisions.
- Under section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "Dividend means the profit of the Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid up on the shares held by them" Dividend can be paid on equity or preference shares both.
- The Board may declare one or more Interim Dividend during the year . Additionally, the board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.
- Recent Amendment in SEBI (Listing Obligation and Disclosure Requirements)2015 the policy of Dividend Distribution is applicable to the top Five hundred listed entities based on market capitalization in pursuant to Regulation 43A of SEBI (Listing Obligation and Disclosure Requirements),2015 the Company has decided to formulate and disclose its Dividend Distribution Policy.

2. CLASSES OF SHARES

The Company has issued only one class of shares i.e Equity Shares. Parameters for Dividend payments in respect of any other class of share will be as per the respective terms of the issue and in accordance with the applicable provisions of the Act, rules and regulations and will be determined, as and when the Company decides to issue other classes of shares.

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

The Circumstances that may generally be considered by the Board before making any recommendations for Dividend includes:

- 1) Cost of raising funds from alternative sources.
- 2) Whenever the Company has incurred losses or there is inadequacy of profits.
- 3) Whenever the Company undertakes any acquisitions or enters into joint ventures requiring significant allocation of capital.
- 4) Future Capital expenditure plan
- 5) Profits earned during the financial year
- 6) Cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.
- 7) Any of the below referred internal or external factors, including any regulatory restriction, if any, restraining the Company from considering dividend.

4. FINANCIAL PARAMENTERS

Dividend shall be declared or paid only out of profits computed as per the applicable provisions of the act and rules made thereunder and other applicable laws.

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

- 1) Distributable surplus available as per the Act, Rules and Regulations;
- 2) The Company's liquidity position and future cash flow needs;
- 3) Trade of dividends paid in the past years by the Company;
- 4) Payout ratios of comparable companies;
- 5) Industry outlook and stage of business cycle for underlying businesses
- 6) Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution;
- 7) Loan repayment and working capital requirement;
- 8) Cost and availability of alternative sources of financing;
- 9) Capital expenditure requirements considering the expansion and acquisition opportunities;
- 10) Any windfall, extra- ordinary or abnormal gains made by the Company;

11) Any other relevant factors that the Board may deem fit to consider before declaring dividend.

6. UTILIZATION OF RETAINED EARNING

Retained earning will be used for the Company's growth plans, expected capital adequacy/ liquidity requirements, debt repayments and other contingencies.

7. REVIEW

The Board is authorized to review/ amend this policy from time to time at its sole discretion and/ or subject to review/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time.

8. DISCLOSURES

The Dividend Distribution Policy (as amended from time to time) shall be disclosed in the Company's Annual Report and will be available on the website of the Company (www.advaitinfra.com)

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