

## **DIVIDEND DISTRIBUTION POLICY**

### **Background and applicability**

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy for the company is as under:

The Board of Directors (“**Board**”) of Authum Investment and Infrastructure Limited (“**Company**”) has adopted this Dividend Distribution Policy to comply with these requirements.

### **1. Dividend distribution philosophy**

One of the ways to reward a shareholder is by distributing portion of Company's earnings in the form of dividend. Besides capital appreciation, an investor expects a consistent cash inflow in the form of dividend. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

### **2. 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.

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

### **3. Circumstances under which shareholders can expect Dividend**

The Board of Directors of the Company may consider *inter-alia* the following factors viz., the financial performance of the Company, the past dividend trends, the liquidity position of the Company, capital expenditure requirements and financial commitments to grow the business, if any, business expansions (including acquisitions) if any, debt obligations, the external market conditions, the future potential etc., before considering dividend proposition.

The Company will endeavour to maintain the dividend track record subject to the factors which the Board might appropriately consider at that point in time. When the performance of the company coupled with the market conditions are conducive/ favourable, the Board may consider declaring interim dividends too.

In order to conserve resources, the Board may consider recommending a lesser rate of

dividend (as compared to the earlier years). The retained earnings of the company can be *inter-alia* utilized for capex, working capital requirement, investment in growth opportunities as deemed fit by the Board at appropriate time. The retained earnings may also be utilised for payment of dividend in subsequent years, or other permitted means of rewarding the shareholders.

In a year where the profits of the company are inadequate or there is a loss or there is a future financial commitment for the Company, the Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition. Alternatively, in such a scenario the Board might consider declaring dividends, out of the Free Reserves or the accumulated profits and the dividend payment track record is maintained. The amounts paid as dividend in the past does not necessarily indicate the dividend to be paid in the future and so the rate and the amount of dividend may vary from time to time.

#### **4. Circumstances under which shareholders may not expect Dividend**

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 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.

#### **5. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:**

##### **Internal Factors:**

- a) Net operating profit after tax;
- b) Operating cash flow of the Company for the year;
- c) Liquidity position, aggregate Debt of the Company, debt service coverage position, etc;
- d) Loan repayment and Working capital requirements;
- e) Capital expenditure requirements;
- f) Resources required for funding acquisitions, mergers and / or new businesses;
- g) Cash flow required for meeting tax demands and other contingencies;
- h) Regulatory (and growth requirement of) Capital Adequacy;
- i) Regulatory (and growth requirement of) Solvency;
- j) Trend of dividends paid in the past years;
- k) Any windfall, extra-ordinary or abnormal gains made by the Company and
- l) Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

##### **External Factors:**

- a) Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting standards;
- b) Dividend pay-out ratios of companies in the same industry.

- c) Any other factor that has a significant influence / impact on the Company's working / financial position of the Company.

## **6. Utilisation of retained earnings**

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

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

## **7. Waiver / Forgo of right to receive Dividend:**

- a) The Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he/she is entitled, on some or all of the Equity Shares held by him/her in the Company as on the Record Date/Book Closure Date fixed for determining the names of Members entitled to receive such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
- b) The Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company of his/her/their intention only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him/her/them.
- c) In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company their decision of waiving/forgoing their right to receive the dividend from the Company.
- d) The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/forgoing dividend so as to reach the Company preferably before the Record Date /Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/forgoing of the right to receive the dividend for any year after the date of Annual General Meeting in which such dividend is declared, shall be given effect to.
- e) The instruction once given by a Shareholder intimating his/her waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Annual General Meeting in which such dividend is declared, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid.

- f) The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholders. There is no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
- g) The decision of the Board of Directors of the Company or such person(s) as may be authorised by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of the above mentioned procedure.
- h) The above mentioned procedure can be amended by the Board of Directors of the Company from time to time as may be required.

## **8. General**

- a) This Policy would be subject to revision/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, on the subject matter.
- b) The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this policy.
- c) In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

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