



ADITYA INFOTECH LIMITED

DIVIDEND DISTRIBUTION POLICY

Version 1.0

Policy Version	Date of Board approval	Effective Date
Version 1.0	September 27, 2024	September 27, 2024

Table of Contents

Objectives.....	3
Circumstances under which the shareholders may or may not expect dividend.....	3
Parameters to be considered before recommending dividend.....	3
Financial and internal parameters.....	3
External parameters.....	3
Utilisation of retained earnings.....	4
Parameters that shall be adopted with regard to various classes of shares.....	4
Conflict in policy.....	4
Amendments.....	4

Aditya Infotech Limited (hereinafter referred as “Company”) has adopted the Dividend Distribution Policy on [•] in accordance with the provisions of the Companies Act, 2013 (“Act”) and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

OBJECTIVES

The objective of the Dividend Distribution Policy is to provide a clear framework and guidelines for equitable and transparent distribution of dividends to shareholders. This policy ensures compliance with applicable laws, regulations and SEBI requirements governing dividend distribution. It is designed to balance the interests of shareholders with company’s financial stability and strategic objectives.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company shall comply with the statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations while declaring or recommending dividend and shall take into consideration the advice of the executive management of the Company and plan further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

A. FINANCIAL AND INTERNAL PARAMETERS:

The Board of Directors of the Company shall consider the following financial and internal parameters while declaring or recommending dividend to shareholders:

- Growth in loan assets;
- Net worth, net owned funds and accumulated reserves;
- Funding and liquidity considerations;
- Profits of the current period;
- Profitability outlook for the next two to three years;
- Return on assets and return on equity;
- Earnings per share;
- Liquidity ratios;
- Asset quality;
- Provisioning levels and provision requirements;
- Outlook on portfolio quality;
- Business expansion and growth;
- Capital expenditure;
- Upgradation of technology and physical infrastructure;
- Creation of contingency fund;
- Acquisition of brands and businesses;
- Compliance with terms and covenants in any agreement entered into by the Company with its lenders
- Other factors and/or material events which the Board may consider.

B. EXTERNAL PARAMETERS:

The Board of Directors of the Company shall consider the following external parameter while declaring or recommending dividend to shareholders:

- Shareholder expectation;
- Macroeconomic conditions;
- Competitive landscape;
- Taxation provisions;
- Government policies.

UTILISATION OF RETAINED EARNINGS

The consolidated profits earned by the Company can either be retained in the business and used for such purposes as the Board may determine from time to time including those outlined above or it can be distributed to the shareholders.

The Company by the approval of Board of Directors may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose aimed at increasing profitability, productivity, and efficiency.

The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the company
- Other such criteria as the Board may deem fit from time to time.

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

The Company has only issued one class of shares, which is equity shares. If the Company decides to issue other classes of shares in the future, the dividend parameters will be determined as per the applicable laws and Listing Regulations.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or SEBI Listing Regulations or any other statutory enactments, modification or rules, the provisions of Listing Regulations / Act or statutory modification, enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

AMENDMENTS

The Board may, from time to time make amendments to the policy as necessary to ensure compliance with the applicable laws and Listing regulations.