AGI INFRA LIMITED
DIVIDEND DISTRIBUTION POLICY

Under regulation 43A of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

A. **Objective**

1. The objective of this dividend distribution policy ("Policy") is to set out the principles and criteria to be considered by the board of directors of the Company (*defined below*) ("Board of Directors") before recommending dividends to the equity shareholders of AGI Infra Limited ('AGIIL') or 'the Company'). This Policy has been framed in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Companies Act, 2013 and amendments thereto and any rules thereto ("Act"). The dividend if declared, would ordinarily be recommended after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders of the Company, as per the applicable provisions of the Act. The Board may also declare interim dividends as may be permitted by the Act and the SEBI Listing Regulations.

2. The Policy provides for parameters and criteria to be considered while declaring dividends considering the Company's growth in business, solvency requirements and building an internal reserve for future endeavours in serving the public and also in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

B. **Background**

1. In terms of Regulation 43A of the SEBI Listing Regulations, the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) are required to formulate a dividend distribution policy which shall be disclosed on their websites and a link of such website is required to be provided in the annual report of such listed entity.

2. This Policy sets out the parameters and circumstances that will be taken into account by the Company's Board of Directors in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

3. This Policy is not an alternative to the decision of the Board of Directors to recommend dividend, which is made every year after considering all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board of Directors.

4. The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividends or retained earnings. Generally, the Board of Directors shall determine the question of declaration of dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this Policy. Among other considerations, broadly, a dividend may not be declared if the Board of Directors believes there is a need to conserve capital for growth or other exigencies.

C. Definitions

"Act" means the Companies Act, 2013 and Rules made thereunder, including any statutory amendment(s) or modification(s) thereof for the time being in force.

"Dividend(s)" includes final and interim dividend(s).

"Dividend payout ratio" means a fraction of net income a company pays to its shareholders as dividend.

"Market capitalisation" means the aggregate value of the company based on its current market price and the total number of outstanding shares of the company.

"Paid-up Share Capital" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

"Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, from time to time and as notified by the Securities and Exchange Board of India.

D. Financial parameters that would be considered while declaring dividend

The Board of Directors would take into account the following parameters while declaring dividends or recommending dividends to shareholders:

a. Profitability and solvency margin position.

b. The interim dividend paid, if any;

c. Regulatory requirements.

d. Capital allocation plans or growth plans (both, organic and inorganic) including:

   i. Expected cash requirements of the Company towards working capital, capital expenditure in technology etc.
   ii. Investment in subsidiaries, joint ventures and associates.
   iii. Investments required towards execution of the Company's strategy.
   iv. Funds required for any acquisitions that the Board of Directors may approve; and
   v. Any share buy-back plans.

e. Financial performance of the Company for the year or period for which dividend is recommended.

f. Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including taxes as applicable) recommended for the year to the net profit for that year);

g. Tax implications if any, on distribution of dividends;

h. Cost of raising funds from alternate sources of capital.

i. Any other significant developments or corporate actions (including but not limited to capital restructuring and capitalization of shares) that require cash investments or any other relevant factor that the Board of Directors may deem fit to consider.

E. Internal and External factors that would be considered for declaration of dividend

1. The dividend decision would be subject to consideration of any other relevant factors, including, for example:

   a. External factors include the state of the domestic and global economy, capital market conditions and dividend policy of competitors;

   b. Tax implications including applicability and rate of dividend distribution tax;

   c. Shareholder expectations;

   d. Any political, and regulatory changes in the geographies in which the Company operates;

   e. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;

   f. Any change in inflation;

   g. Cost of external financing or cost of raising funds from alternate sources; or

   h. Any changes in the competitive environment requiring significant investment.

   i. Any other factors as may be considered by the executive management of the Company for declaration of dividend.

2. The declaration of dividend (including interim dividend) shall be subject to compliance with the applicable provisions of the Act along with SEBI Listing Regulations, as amended from time to time.

F. Utilization of retained earnings

The Company would utilise the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to general corporate purposes, including organic and inorganic growth and diversification of the business of the Company.

The Board of Directors may decide to employ the retained earnings to *inter alia* ensure maintenance of an optimal level of capital adequacy, meeting the Company's future growth/expansion and strategic plans (for example, market expansion plans, product expansion plans, or modernization plans), other strategic purposes, balancing the capital structure by de-leveraging the Company and/or distribution to shareholders, subject to applicable law.

G. Circumstances under which the shareholders of the listed entities may or may not expect dividend

1. The Board of Directors of the Company may not declare or recommend any dividend based on the regulatory eligibility criteria for declaration / recommendation of a dividend.

2. The Board shall consider the aforementioned parameters and factors before determining of any dividend payout and after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory or financial environment, may not declare dividend or may recommend a lower dividend for a given financial year.

3. The Board of Directors of the Company may not declare or recommend any dividend based on the capital and reserves position of the Company, the advice of executive management, inadequacy of profits or incurrence of losses for the financial year and other parameters described in this policy. The Board of Directors may not declare or recommend dividends if it is of the view that there is a need to conserve capital for growth or any other purpose as it may deem necessary in the best interest of the Company.

H. Parameters that would be adopted with regard to various classes of shares

Currently, the Company has only one class of equity shareholders. In the absence of any other class of equity shares and/or equity shares with differential voting rights, the entire distributable profit for the purpose of a declaration of dividend is considered for the equity shareholders. In case the Company issues other kind of shares, the Board of Directors may amend this Policy.

I. Review and Amendment

1. The Policy would be reviewed annually, or earlier, if material changes take place in the applicable regulations. Any requirement under applicable laws that needs to be covered under the Policy or any changes in the applicable laws or any requirement, to the extent applicable, shall be incorporated into this policy automatically.

2. In the event of any conflict between the provisions of this policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations (to the extent applicable to the Company) or statutory enactments and rules shall prevail over this policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

J. Disclosure of the policy

This Policy will be uploaded on the website of the Company and in the annual report of the Company.

K. Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding the Company's dividend policy. The statement of the Policy does not in any way restrict the right of the Board of Directors to use its discretion in the recommendation of the dividend to be distributed in the year and the Board of Directors reserves the right to depart from the Policy as and when the circumstances so warrant and in accordance with the applicable laws.

L. Effective Date

This Policy shall be effective from the date of the adoption by the Board of Directors.

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