

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors (the “Board”) of Aptech Limited (the “Company”) at its meeting held on May 21, 2021 have approved and adopted this Dividend Distribution Policy (the “Policy”) as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) as amended from time to time.

➤ OBJECTIVE

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company’s growth and sustainability. Through this policy, the Company also endeavours to maintain fairness and consistency while considering distributing dividend to the shareholders. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders. The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

➤ CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the Dividend to be declared or recommended shall take into consideration the advice of the management of the Company.

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim or special dividend during the financial year, as and when they consider it fit.

Dividend may also be declared in any particular financial year by utilizing Other Free Reserves in accordance with the applicable laws in force, if so deemed appropriate by the Board.

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

➤ **PARAMETERS / FACTORS TO BE CONSIDERED WHILE RECOMMENDING /DECLARING DIVIDEND**

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

Financial / Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, capitalisation of shares etc.
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements if any, Debt servicing obligations and Debt maturity profile.
- Other such criteria as the Board may deem fit from time to time.

External Factors:

- Economic environment, both domestic and global.
- Unfavourable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing
- Other such criteria as the Board may deem fit from time to time.

➤ **POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILIZED**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Market expansion plan
- Business expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

➤ **PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES**

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

➤ **CONFLICT IN POLICY**

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

➤ **AMENDMENTS**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.