

## **DIVIDEND DISTRIBUTION POLICY**

**E TO E TRANSPORTATION INFRASTRUCTURE LIMITED**  
(Formerly E TO E TRANSPORTATION INFRASTRUCTURE PRIVATE LIMITED)

**CIN: L45201KA2010PLC052810**

**Registered Office: 10th Floor, Sattva Galleria, Survey, Nos. 19/2 and 20/1, Bellary Road,  
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## TITLE

This Policy shall be called 'Dividend Distribution Policy'.

## COMMENCEMENT

This Policy is effective from the date of approval by the Board of Directors of the Company.

## OBJECTIVE

- a. This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- b. The Company shall make appropriate disclosures as required under the Listing Regulations.

## DEFINITIONS

- a. "Board" means the Board of Directors of E To E Transportation Infrastructure Limited.
- b. "Company" means E To E Transportation Infrastructure Limited.
- c. "Policy" means this Policy, as amended from time to time.
- d. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- e. "Financial year" shall mean the period starting from 1<sup>st</sup> day of April and ending on 31<sup>st</sup> day of March every year.

## DECLARATION OF DIVIDEND

The declaration of dividend (including interim dividend) would be subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

## PARAMETERS FOR DIVIDEND PAYOUT

- a. **Financial Parameters including Internal Factors that shall be considered while declaration of dividend:**

The financial parameters which would be considered while declaration of dividend by the Board are as follows:

1. Profits of the Company;
2. Past dividend pattern;
3. Major capital expenditure to be incurred by the Company;
4. Cash flow requirements of the Company;
5. Debt-equity ratio of the Company;
6. Cost of borrowing of the Company, keeping in view the growth opportunities;

7. Debt obligations of the Company;
8. Investments in new business;
9. Provisioning for financial implications arising out of unforeseen events and/o contingencies;
10. Reputation of the Company;
11. Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

**b. External Factors that shall be considered while declaration of dividend:**

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

1. Regulatory requirements;
2. Economic environment;
3. Political/geographical situations;
4. Inflation rate;
5. Industry Outlook for future years.

**c. The circumstances under which the shareholders may or may not expect dividend:**

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company *may expect dividend* only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company *may not expect* dividend in the following circumstances, subject to the discretion of the Board of Directors:

- Prospective growth opportunities/threats/concerns of the Company;
- Inadequacy or absence of profits;
- Higher working capital requirements for business operations of the Company
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

**d. Utilization of Retained Earnings:**

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

1. Capital expenditure for working capital;
2. Organic and/or in organic growth;
3. Investment in new business(es);
4. Additional investment in existing business(es);

5. Declaration of dividend or issue of bonus shares;
6. Capitalization of shares;
7. Buy back of shares;
8. General corporate purposes, including contingencies;
9. Any other permitted usage as per the Companies Act,2013.

### **MANNER OF DIVIDEND PAYOUT**

The process of declaration and payment of dividends shall be subject to applicable regulations and Companies Act, 2013.

### **PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES**

- a. The Company has only one class of equity shareholders and does not have any issued preference share capital. However, in case Company issue different class of equity shares at any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
- b. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- c. The dividends shall be paid out of the Company's distributable profits and/or general reserves and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

### **AMENDMENTS**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

### **DISCLOSURES**

The Company shall disclose the Policy on its website at [www.etoerail.com](http://www.etoerail.com).

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