Yuranus Infrastructure Limited

DIVIDEND DISTRIBUTION POLICY

1. Objective

The Policy is formulated in line with the requirement of new Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) inserted vide SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated 08.07.2016 (Notification).

The dividend Policy of the Company largely depends on internal and external factors and hence the Company has designed its dividend distribution Policy in such a way that best interest of both Shareholders and the Company are satisfied.

2. Applicability

This Policy applies to all the Dividend (including Interim) to be declared on the paid up Equity Share Capital of the Company.

3. Guidelines

(a) the circumstances under which the Equity shareholders may or may not expect dividend.

Dividends are earnings that companies pass on to their shareholders. There are a number of reasons to decide the amount to be distributed as dividends. There are also a number of reasons for the Company to retain earnings.

Company when growing rapidly usually would pay less dividends or do not pay dividend in an exceptional circumstance so as to invest as much as possible into further growth, expansion of activities or forecast of future operations. At a time when Board believes it will be prudent to increase its value (share price) by retaining its earnings; it will choose pay less dividend or do not pay dividends and may utilize the money to finance a new project, acquire new assets, expansion, buyback its shares or even buy out another company.

Also, the choice to not pay or pay less dividends may depend upon tax perspective. At present, Dividends are taxable to certain category of investors at special rate. The capital gains on the sale of appreciated share can have a lower or nil long-term capital gains tax rate depending upon the period of holding of shares.

(b) the financial parameters that shall be considered by the Board while recommending / declaring dividend.

The parameter, Company generally considers, is that 25% to 35% (including dividend distribution tax) of Profit After Tax (excluding extra-ordinary & exceptional gains) will be paid as Dividend.

Notwithstanding the above, subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of-

(i) Current financial year's profit:
   (a) after providing for depreciation in accordance with law,
   (b) after considering the dividend distribution fax including surcharge if any,
   (c) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion

(ii) The profits for any previous financial year(s):

(a) after providing for depreciation in accordance with law
(b) after considering the dividend fax including surcharge, if any;
(c) remaining undistributed; or

The Board may at its discretion, subject to provisions of the law, exclude any or all of followings:

(i) extraordinary charges
(ii) exceptional charges
(iii) one off charges on account of change in law or rules or accounting policies or accounting standards
(iv) provisions or write offs on account of impairment in investments (long term or short term)
(v) non-cash charges pertaining to amortisation or ESOP or resulting from change in accounting policies or accounting standards.

Other parameters the Company may consider are, it's Debt-Equity ratio, Return on Equity, Income Tax, Cash Flow/liquidity, future expansion and acquisition.

(c) internal and external factors that shall be considered for declaration of dividend;

The decision regarding dividend pay-out 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. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision of the company would depend upon certain external and internal factors

External Factors:-

Uncertainty - in case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Volatility - when the Capital markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Regulatory Restrictions - The Board will take in account the restrictions imposed by Companies Act with regard to declaration of dividend

Interest and inflation rate prevailing from time to time

Internal Factors:-

Apart from the various external factors afore-mentioned, the Board will take into account various internal factors while declaring Dividend, which inter alia, will include –

(i) Profits earned during the year;
(ii) Present & future Capital requirements of the existing businesses;
(iii) Brand / Business Acquisitions;
(iv) Expansion / Modernization of existing businesses;
(v) Additional investments in subsidiaries / associates of the Company;
(vi) Fresh investments into external businesses;
(vii) Any other factor as deemed fit by the Board

(d) policy as to how the retained earnings shall be utilized:

The Company shall strive to utilize retained earnings at optimum level by investing in the business for expansion, acquisition, product development and at the same time may consider issuing Bonus shares or buyback the shares in order to enhance the value of the shares and give optimum return to the stakeholders.

The Board of Directors of the Company subject to the applicable provisions of the law may appropriate some or all of the company's retained earnings when it wants to restrict dividend distributions to shareholders. Appropriations are usually done at the board's discretion with an exceptional circumstance, Board may contractually or statutorily require to do so.

4. *Provisions / Parameters with regard to various classes of shares.*

The Company is having only one class of paid up shares i.e. fully paid Equity Shares of the face value of Rs. 10/- each. Hence, the same is not applicable.

5. Review of the Policy

The Board of Directors shall periodically review the policy and brought in conformity with statutory and regulatory requirements, if any.