

ASHOKA BUILDCON LIMITED
DIVIDEND DISTRIBUTION POLICY

Ashoka Buildcon Limited (**"the Company"**) is an infrastructure developer and has Engineering, Procurement and Construction (**"EPC"**) has its core strength. The Company also executes Roads and Highways Projects on Build-Operate-Transfer (**"BOT"**), Design-Build-Finance-Operate-Maintain-Transfer (**"DBFOMT"**) basis. The Company executes these Projects through Special Purpose Vehicles (**"SPVs"**) which are generally its Subsidiaries. The Company / SPVs enter into Concession Agreement, Project Documents and Financing documents (**"Agreements"**) with the Employer, the State Government and Lenders respectively. These Agreements require the Company to support SPVs with Equity capital and unsecured loans from time to time.

The Company needs to consider these contractual obligations while determining Dividend Policy. The Company envisages development / increase in traffic and revenue of these Project SPVs.

The Company is also required to maintain certain financial ratios as per contemporary industry practices and financing documents. The Company / SPV needs to comply with said requirements.

The Company's ability to distribute dividend depends on the compliance of financing covenants. Dividend declaration is a function of yearly performance in the form of earning of the Profit, the progress and prospects of the Projects and availability of funds. Further external factors like economic development and conditions, political environment and industry conditions do have impact on the declaration of the dividend. The Company operates in high capital intensive sector which requires the Company to keep sufficient funds for infusion in equity in Projects whenever new Projects are bid and won. Some of the Profits needs to be retained / ploughed back for meeting such capital commitments.

Presently the Company has only one class of equity shares for which this Policy will be applicable. The Board of Directors of the Company strives to maintain the Dividend Payout Ratio in the range of 10% - 15% of PAT (Profit After Tax) subject to availability of the funds.

The Board should evaluate / review this Dividend Policy in 2-3 years.