

## Policy of Dividend Distribution

The principles of this policy has been sets out to determine the amount that can be distributed to Equity Shareholders as dividend. APGICL proposes to have a dividend distribution policy that balances the dual objectives of appropriately rewarding Shareholders through dividend and retaining capital in order to maintain a healthy Capital adequacy ratio to support its future Capital requirements.

### **Declaration**

Dividend shall be declared or paid out of

i) Current year's profit

- a. After providing for depreciation and Tax in accordance with applicable laws.
- b. After transferring to the reserves such amount of Profit as may be prescribed ,or

ii) The Profits for any previous financial year(s)

- a. Remaining undistributed profit.
- b. If the current year's profit is not adequate then the Company may declare dividend out of accumulated distributable from year or

Out of i) & ii) both

iv) The Company should avoid the practice of payment of dividend from borrowings except for meeting timing difference between payments of dividend and generating positive cash flows provided there is sufficient profit generated. Wide variant in rate of dividend should be avoided.

### **Dividend Equalization Reserve**

A dividend equalization reserve may be created by appropriating a portion of the distributable profit from time to time enable the Company to maintain consistency distribution of dividend from year to year. In case where there is inadequacy for current profit for payment of desired dividend amount then it may be transferred from this account to distributable profit to maintain consistency in dividend distribution.

### **Factors to be considered before declaration of Dividend**

The amount paid as dividends in the past will not be necessarily indicative of the amounts, if any that may be payable in future. The form, frequency and amount of future dividends shall be at the discretion of the Board and subject to the approval of Shareholders and will depend on various factors including but not limited to:

1. Profit earned during the financial year.
2. Cash flows position.
3. Future Capital requirements.
4. Future expansion plans.
5. Applicable taxes on dividend in hands of receipt including dividend distribution tax, where applicable.
6. Retained earnings vs. expected return from the business.
7. Re investment opportunities.

### **Procedure**

1. The Company has only one Class of equity Shareholders. Therefore the declared dividend will be distributed equally among all the Shareholders based on their shareholding on the Record Date.
2. Pursuant to the provision of the applicable laws and this policy, the Board may declare interim dividend as and when they consider it fit, and recommend final dividend to the

Shareholders for their approval in the general meeting of the Company and any final dividend recommended by.