



DIVIDEND DISTRIBUTION POLICY

Atlanta Limited (“the Company”) being in Infrastructure Development, executes EPC contracts and highway projects on BOT basis. The Infrastructure Development being capital intensive and the Concession Agreement and Agreements with Project Lender’s require the Company to infuse equity and provide financial support in terms of unsecured loans from time to time to the Project SPVs. Therefore, the dividend policy of the Company recognises the Company’s contracted obligations and also growth prospects in Infrastructure Sector. Subject to this, the Board shall endeavour to maintain the Dividend Payout Ratio (Dividend / Consolidated Net Profit after tax for the year) of not less than 15%. This limit is subject to the availability of free cash flow & company making profit in that financial year.

It is pertinent to note that as per lending agreements, the Company / SPVs have to maintain certain financial & reserve ratios. They are different for each borrower i.e. SPVs / Company. It is always Company’s endeavour to remain complied with such conditions. However, in case the Company exceeds any such parameters / ratios, lending agreement may restrict the Company to distribute the dividend at the ratio stated above. In such case, Board may decide to alter the dividend percentage in a manner to remain compliant with lending agreements / arrangements / its contracted obligations.

Basically, declaration of dividend is dependent upon performance, the availability of free cash flow, Company’s projects and its prospects. However, Company’s plan to grow organically / inorganically and various other economic and business conditions prevalent in the industry will play a significant role while considering declaration of dividend.

Since the Company operates in capital intensive business, it is required to maintain healthy proportion of equity investment in its projects. The retained earnings will be deployed in meeting such requirements.

At present, the Company has only one class of equity shares. It doesn’t require adopting any different policy for other class of shares.

The Board shall evaluate the Company’s dividend policy every 3 years.