



DIVIDEND DISTRIBUTION POLICY

[Adopted by the Board on 01/07/2024]

HIGHWAY INFRASTRUCTURE LIMITED

1. TITLE

1.1 This Policy shall be called '**Dividend Distribution Policy**'.

2. COMMENCEMENT

2.1 This Policy shall come into force with effect from listing of the Company on Recognized Stock Exchange(s)

3. OBJECTIVE

3.1 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) ("**SEBI Listing Regulations**").

3.2 The Policy endeavors to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach to dividend declaration

3.3 The Company shall make appropriate disclosures as required under the SEBI Listing Regulations.

4. DEFINITIONS

4.1 "**Board of Director**" or "**Board**" means the Board of Directors of Highway Infrastructure Limited, as constituted from time to time.

4.2 "**Company**" means Highway Infrastructure Limited

4.3 "**Policy**" means this policy on Dividend Distribution as amended from time to time.

4.4 "**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

4.5 "**Financial year**" shall mean the period starting from 1st day of April and ending on 31st day of March every year.

5. DECLARATION OF DIVIDEND

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution

of Dividend, after having due regard to the parameters laid down in this Policy subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.

The Board may also declare interim dividends as may be permitted by the Act.

6. PARAMETERS FOR DIVIDEND PAYOUT

6.1 The circumstances under which the shareholders may or may not expect dividend:

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

- i) Prospective growth opportunities/threats/concerns of the Company or higher cost of raising funds from alternative sources;
- ii) Inadequacy or absence of profits;
- iii) where the Company has requirement of funds for Capex requiring high capital allocation, working capital, repayment of loans taken in the past.

6.2 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:

- i) Profits of the Company;
- ii) Past dividend pattern;
- iii) Major capital expenditure to be incurred by the Company;
- iv) Cash flow requirements of the Company;
- v) Debt-equity ratio of the Company;
- vi) Cost of borrowing of the Company, keeping in view the growth opportunities;
- vii) Debt obligations of the Company;
- viii) Investments in new business;
- ix) Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- x) Reputation of the Company;
- xi) Applicable taxes including tax on dividend
- xii) Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

6.3 External Factors that shall be considered while the 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:

- i) Regulatory requirements;
- ii) Economic environment;
- iii) Political/geographical situations;
- iv) Inflation rate;
- v) Industry Outlook for future years.
- vi) Dividend pay-out ratio of competitors
- vii) Statutory provisions and guidelines

6.4 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 the Company may be used in any of the following ways:

- i) Capital expenditure for working capital;
- ii) Organic and/or inorganic growth;
- iii) Investment in new business(es);
- iv) Additional investment in existing business(es);
- v) Declaration of dividend;
- vi) Capitalisation of shares;
- vii) Buyback of shares;
- viii) General corporate purposes, including contingencies;
- ix) Any other permitted usage as per the Companies Act, 2013.

6.5 Parameters with regard to various classes of shares:

Presently, the issued share capital of the Company comprises of only one class of equity shares of Rs. 5/- each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

7. DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. <https://www.highwayinfrastructure.in/>

8. DISCLAIMER

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

9. POLICY REVIEW AND AMENDMENTS

The Board shall have the power to review, abrogate, modify, revise or 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.

INTERPRETATION

In case of any conflict between the provisions of this Policy and of the statutory provisions, the statutory provisions shall prevail over this Policy. Any subsequent amendment/ modification in the statutory provisions shall automatically apply to this Policy
