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GPT INFRAPROJECTS LIMITED

DIVIDEND POLICY

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09.11.2015	1	Board of Directors	Company Secretary

DIVIDEND POLICY

1. PREAMBLE

In order to give predictability to shareholders with regard to dividends to be received, the Company has decided to adopt a Dividend Policy which shall be reviewed once every 2 - 3 years

2. Declaration

Dividend shall be declared or paid only out of :-

- a. Current Year's profit
 - i. After providing for depreciation in accordance with law
 - ii. After transferring to the reserves such amount of Profit as may be prescribed,

or

- b. The Profits for any previous financial year(s)
 - i. After providing for depreciation in accordance with law, and
 - ii. Remaining undistributed

or

- c. Out of a. & b. both

Before declaring any dividend :-

- a. Losses, if any, for the previous year(s) must be set off against the profit for the current year or previous year(s)

Board shall avoid the practice of declaring dividends out of Reserves

3. Amount of Dividend

Since the company is in a high growth phase, the Board shall endeavour to maintain the Dividend Payout Ratio as near to 30% i.e. {Dividend for the year/Consolidated Net Profit for the year}. However, this shall be subject to:-

- a. Company's need for capital for its growth plan
- b. Positive cash flow from operations

4. Factors before declaration of Dividend

The following factors shall be considered before declaration of dividend:-

- a. Ploughback of profits i.e. future capital expenditure programme including
 - i. New project
 - ii. Expansion of capacities of existing units
 - iii. Investment in new technologies
 - iv. Investment in Joint Ventures /Subsidiaries
- b. Likelihood of crystallization of contingent liabilities, if any
- c. Any Contingency Fund
- d. Cash Flow for Working capital needs
- e. Dividend receipts from subsidiaries /associates

5. Timing

- a. Interim Dividend
 - i. Board to declare
 - ii. Based on review of profits earned during the current year-to-date
 - iii. One to three times a year

- b. Final Dividend
 - i. Board to recommend to members for their approval
 - ii. Based on review of profits arrived at as per audited financial statements, for the year
 - iii. Maximum once in a year