

ADVANCE MULTITECH LIMITED

Dividend Distribution Policy

(As per SEBI (LODR) Regulations, 2015)

1. Background

This Dividend Distribution Policy (“Policy”) has been formulated in accordance with the provisions of **Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, as amended from time to time.

As required, the Policy shall be disclosed on the Company’s website under **Regulation 46 of SEBI LODR**.

2. Objective

The objective of this Policy is to lay down a framework for distribution of dividends to shareholders, balancing the dual objectives of:

- Rewarding shareholders through dividends, and
- Retaining adequate funds for growth and expansion.

3. Circumstances under which shareholders may or may not expect dividend

The Company may declare dividends under the following circumstances:

- Adequate profits and cash flows during the financial year
- Stable financial performance
- Absence of significant expansion or capital expenditure requirements

The Company may **not declare dividends** in situations such as:

- Inadequate or absence of profits
- Significant capital expenditure plans
- Adverse macroeconomic or industry conditions
- Regulatory or contractual restrictions

4. Financial parameters to be considered

While recommending dividend, the Board shall consider:

- Profit after tax (PAT)
- Free cash flow available
- Earnings per share (EPS)
- Working capital requirements
- Debt-equity ratio and leverage levels
- Past dividend trends

ADVANCE MULTITECH LIMITED

5. Internal and external factors

Internal Factors:

- Business expansion plans
- Capital expenditure requirements
- Operating cash flows
- Liquidity position

External Factors:

- Economic environment
- Industry outlook
- Regulatory changes
- Taxation policies
- Cost of capital and inflation

6. Utilization of retained earnings

Retained earnings may be utilized for:

- Business expansion and modernization
- Capital expenditure
- Debt repayment
- Strategic acquisitions or investments
- Strengthening reserves

7. Parameters for different classes of shares

The Company shall consider the following:

- Rights of different classes of shares (if any)
- Legal requirements applicable to each class
- Terms of issue of such shares

8. Dividend payout ratio

The Company may adopt a **consistent and sustainable dividend payout ratio**, subject to:

- Profitability
- Cash flow position
- Future funding requirements

(No fixed payout ratio is mandatory; flexibility is maintained.)

ADVANCE MULTITECH LIMITED

9. Procedure for declaration

- Dividend shall be recommended by the Board of Directors
- Approved by shareholders, wherever required
- Paid in accordance with the provisions of the Companies Act, 2013 and SEBI LODR

10. Review and amendments

This Policy shall be reviewed periodically by the Board and may be amended as required to align with:

- Regulatory changes
- Business requirements

11. Disclosure

This Policy shall be:

- Hosted on the Company's website as per **Regulation 46 of SEBI LODR**
- Referenced in the Annual Report