DIVIDEND DISTRIBUTION POLICY

Contents:

Sr. No.	Particulars	Pg. No.
1	Introduction	2
2	Definition and Interpretation	2
3	Objectives	3
4	Manner and Category of Dividends	3
5	Provisions of Companies Act, 2013	4
6	Factors to be considered	4
7	Circumstances under which the shareholders may or may not expect dividend	5
8	Parameters that shall be adopted with regard to various classes of shares	5
9	Utilization of retained earnings	5
10	Transfer of Equity Shares of the Company to the Investor Education and Protection Fund (IEPF)Account	6
11	Disclosures	6
12	General	6

1. Introduction:

Aurionpro Solutions Limited is committed to create sustainable shareholder wealth for all its shareholders whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. The Company believes on the corporate culture that ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders. We shall strive to distribute an optimal and appropriate level of the profits earned by it in its business to the shareholders, in the form of "Dividend". The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board. The Policy is being recommended for adoption by the Board of Directors effective from the commencement of FY 2024-25.

2. Definition and Interpretation:

In this Policy, unless the context otherwise requires:

"Act" shall mean Companies Act 2013 and rules made thereunder, including any modifications, amendments or re-enactment thereof.

"Applicable Laws" shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 ; as amended from time to time and such other act, rules and regulations which provides for the distribution of dividend .

"Board or Board of Directors" shall mean the Board of Directors of the Company including the members of the Audit Committee.

"Company" shall mean Aurionpro Solutions Limited and wherever the context requires, shall signify the Company acting through its Board.

"Dividend" shall mean Dividend as defined under Companies Act, 2013.

"Financial year" shall mean period beginning from 01st April of every year to 31st March of the succeeding year.

"Policy or this policy" shall mean this Dividend Distribution Policy and as may be amended from time to time.

"SEBI Regulations" shall mean the Securities and Exchange Board of India ((Listing Obligation and Disclosure Requirements) Regulations 2015 together with circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Regulatory Framework:

As per the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 which requires Top thousand listed companies based on their market

capitalization calculated as on the 31st day of March of every Financial Year to formulate a Dividend Distribution Policy which shall be disclosed in their Annual Reports and on their websites. The Company is under the Top thousand listed Companies as per market capitalization as on the last day of Financial year frames this policy to adhere and comply with the SEBI Regulations.

3. Objectives:

The broad objectives of this policy are:

- To define the policy and procedures in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.

- To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.

- To create a transparent and methodological Dividend policy, adherence to which will be required on annual basis, with any deviations clearly identified and promptly communicated to appropriate stakeholders.

4. Manner and Category of Dividends:

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

4.1. Process for approval of Payment of Final Dividend

The Board shall recommend the quantum of final dividend payable to the shareholders in its meeting, in line with this Policy. The payment of dividend is based on the profits arrived at as per the audited financial statements and subject to approval of shareholders in the Annual General Meeting and is paid once in a financial year.

4.2. Process for approval of Payment of Interim Dividend

The Board may declare Interim Dividend at its complete discretion in line with this Policy. The payment of interim dividend may be one or more times during the financial year and is based on the profits arrived at as per quarterly (or half-yearly) financial statements including exceptional items. It is thus an extra dividend paid during the year requiring no approval of the Annual General Meeting.

5. Provisions of Companies Act, 2013:

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act") in particular Sections 2(35), 51, 123, 124, 125, 126, 127 and 134(3)(k) of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014.

6. Factors to be considered

The decision regarding dividend pay-out is a crucial as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Retained profit plays an important role in the future growth and expansion of the Company because these are internal sources of financing and do not involve floatation costs and legal formalities. As such, the Company will adopt the policy of residual or passive distribution; so far it can profitably invest its retained earnings as a source of internal financing. The term residual distribution here means the declaration of dividend out of the profit remaining left after internal financing of the company. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Dividend pay-out decision of any company depends upon certain external and internal factors.

6.1 Financial Parameters / Internal Factors

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

1. Consolidated net operating profit after tax

2. Working capital requirements

3. Capital expenditure requirements

4. Resources required to fund acquisitions and / or new businesses

5. Cash flow required to meet contingencies

6. Outstanding borrowings

7. Past Dividend Trends – rate of dividend, EPS and payout ratio etc.

8. Growth plans, both organic and inorganic

9. Any other factor as deemed fit by the Audit Committee & the Board.

6.2 External Factors

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

1. **State of Economy**: In case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

2. **Statutory Restrictions**: Prevailing legal requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws with regard to declaration of dividend.

7. Circumstances under which the shareholders may or may not expect dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Act and SEBI Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the Audit Committee as well as the executive management of the Company apart from other parameters set out in this Policy. The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board. The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- The Company has inadequacy of profits Financial Year
- Adverse economic cycles and industry projections
- The Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- The Company has significantly higher working capital requirement affecting free cash flow.
- The Company proposes to utilize surplus cash for buy- back of securities;
- The Company is prohibited to recommend/declare dividend by any regulatory body.

8. Parameters that shall be adopted with regard to various classes of shares

Currently, the Company share capital consists only of Equity Shares and the Company has not issued any other classes of Shares. Further, in case of issue of different class of shares in future the parameters shall be taken into consideration for the other class of shares as which shall be taken into consideration for Equity shares.

9. Utilization of retained earnings :

The Company may declare dividend out of the profits of the Company of the current year or out of the profits of 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. This Policy will be reviewed periodically by the Board.

10. Transfer of Shares of the Company to the Investor Education and Protection Fund (IEPF)Account

The Company shall transfer, in accordance with Section 124(6) of the Companies Act, 2013 and the rules made thereunder, all shares in respect of which the dividend has remained unpaid or unclaimed for a continuous period of seven years or more, to the Investor Education and Protection Fund (IEPF).

11. Disclosures:

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. www.aurionpro.com.

12. General

This Policy would be subject to revision / amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter. The Board of Directors reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendments, clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.