



NUVOCO VISTAS CORPORATION LIMITED

DIVIDEND DISTRIBUTION POLICY

Date: May 20, 2022

1. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”), it is mandatory for the top 1,000 listed companies based on the market capitalisation calculated as on March 31, every year, to have a dividend distribution policy. Pursuant thereto, the Company has formulated this Dividend Distribution Policy (the “**Policy**”).

2. DEFINITIONS

The terms referred to in the Policy will have the same meaning as defined under the Companies Act, 2013 and the rules notified thereunder, as amended (the “**Companies Act**”) and the Listing Regulations.

3. OBJECTIVE

The objective of the Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend to the Members of the Company. The Policy aims to strike an optimum balance between rewarding Members through dividend and ensuring that sufficient funds are retained for the growth of the Company.

4. SCOPE OF THE POLICY

The Policy covers the following:

a. **Dividend to Equity shareholders of the Company:**

Presently, the Company has only one class of equity shares and accordingly, the dividend will be distributed equally among all the equity shareholders, based on their shareholding on the record date. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

b. **Interim Dividend:**

Interim dividend(s) may be declared by the Board one or more times in the financial year as may be deemed fit.

c. **Final Dividend:**

Recommendation of final dividend, if any, shall be made by the Board, usually in the board meeting that considers and approves the annual financial statements, subject to approval of the members of the Company. The dividend as recommended by the Board shall be approved/declared in the Annual General Meeting of the Company.

d. **Special Dividend:**

The Board may declare/recommend special dividend as and when it deems fit.

5. DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of –

- 1) Current financial year's profit:
 - a. after providing for depreciation in accordance with law;
 - b. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion and as per applicable law.

or

- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed;

or

- 3) Out of 1) & 2) both.

In case of inadequacy or absence of profits in any financial year, the Company may also declare/ pay dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, provided such declaration/ payment of dividend shall be made only in accordance with the provisions of the Companies Act and rules specified therein. The tax implication on the dividend will be according to the then prevailing taxation laws.

6. PARAMETERS TO BE CONSIDERED

6.1 Parameters to be considered before recommending dividend:

The Board may recommend/ declare dividend after considering the following factors:

Statutory and Regulatory Factors

The Company shall declare dividend only after ensuring compliance with provisions of the Companies Act, the Listing Regulations and any other regulations, as may be applicable, from time to time.

Financial Factors

- Profits earned during the financial year;
- Accumulated reserves;
- Profitability outlook for the coming years;
- Expected cash requirements for capex and working capital requirements;
- Expansion or modernization of existing businesses and investments required towards execution of Company's strategies;
- Fund required for any acquisitions and fresh investment in subsidiaries and external businesses;
- Any share buy-back plans;
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios; and
- Other factors which the Board may consider as appropriate.

External Factors

- Members' expectations;
- Significant changes in the macro-economic and market conditions;
- Taxation, regulation and government policies; and

- Any changes in the competitive environment requiring significant investment.

6.2 Circumstances under which the members of the Company may or may not expect dividend

The Company may not distribute a dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits/ cash balances, adverse market conditions and business uncertainty or large forthcoming capital requirement which are best funded through internal accruals. Further, if one or more of the criterion for recommendation of dividend is not fulfilled by the Company, including any regulatory restriction placed on the Company on declaration of dividend, or if the Board is of the view that it would be prudent to conserve capital for expansion of business growth or other exigencies, which shall be stated by the Board, dividend may not be declared or may declare reduced dividend in that year.

6.3 Utilisation of retained earnings

Retained earnings shall be utilized in accordance with prevailing regulatory requirements for:

- creating reserves for specific objectives;
- fortifying the balance sheet against contingencies;
- generating higher returns for members through reinvestment of profits for future growth and expansion;
- any other specific purpose as approved by the Board; and
- any other permitted use under the Companies Act.

The Company shall endeavour to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its members.

7. CONFLICT IN POLICY

In the event of any conflict between the Companies Act or the Listing Regulations or any other statutory enactments (“**Regulations**”) and the provisions of this Policy, the Regulations shall prevail over this Policy.

8. DISCLOSURE OF POLICY

The Policy shall be disclosed and/or a web-link shall be provided in the Annual Report of the Company and shall be placed on the Company's website, www.nuvoco.com.

9. AMENDMENTS

Any subsequent amendment/modification in the Companies Act, Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

10. REVIEW OF POLICY

The Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective.

11. DISCLAIMER

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.