

Introduction

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy.

The decision regarding dividend payout seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to fund the growth plans of business. The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company.

A. General Guidelines for Distribution of Dividend

- i. The Company shall pay dividend (including interim dividend) in compliance with the applicable provisions of the Companies Act, 2013 including the rules prescribed thereunder, and any amendments made thereto and any other law governing the same including Listing Regulations
- ii. Dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.
- iii. Dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owners in the record of the depository on the date specified as the record date or book closure date.
- iv. Equity dividend shall stand second in priority after payment of dividend to preference shareholders, if any

B. Key Factors

The circumstances under which shareholders may or may not expect dividend depends on certain Internal and External Factors, including but not limited to the following. The Board may take a decision to declare dividend after taking these into account:

External Factors:	Financial Parameters and Internal Factors:
<ol style="list-style-type: none">1. Macro economic conditions2. Growth outlook3. Capital market volatility4. Statutory/regulatory restrictions5. Agreements with lenders6. Change in provisions of Income Tax or other applicable taxes	<ol style="list-style-type: none">1. Financial performance including profits earned, available distributable reserves etc;2. Impact of dividend payout on Company's desire to maintain prudent and reasonably conservative leveraging eg. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt: Equity, including maintaining a targeted rating – domestically and internationally;3. Operating cash flow of the Company4. Expansion of existing business5. Contractual restrictions;6. Fund requirement for growth

**NATIONAL STANDARD (INDIA)
LIMITED**

DIVIDEND DISTRIBUTION POLICY

Policy Owner: Company Secretariat
Approved by: Board of Directors on
April 14, 2022

- | | |
|--|---|
| | <ol style="list-style-type: none">7. Fund requirement for contingencies and unforeseen events with financial implications8. Past Dividend trend including Interim dividend paid, if any and9. Any other factor as deemed fit by the Board |
|--|---|

C. Utilization of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors including:

- Market expansion plans
- Declaration of dividend,
- Diversification of business
- Long term strategic plans for growth
- Replacement of capital assets
- Such other criteria as the Board may deem fit from time to time

D. Amendments

The Board may at any point of time amend, modify or review this Policy in whole or in part, as may be deemed necessary.

E. Disclosure

This Policy shall be hosted on the website of the Company