

## **NIIT TECHNOLOGIES LIMITED**

### **DIVIDEND DISTRIBUTION POLICY**

#### **1.0 PREAMBLE:**

- 1.1 This Policy (hereinafter referred to as “Policy”) shall be called “The Dividend Distribution Policy” of the NIIT Technologies Limited (hereinafter referred to as the ‘Company’).
- 1.2 The Policy has been framed specifically in compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulation”
- 1.3 Regulation 43A of Listing Regulations mandates top 500 Listed Company on their market capitalization as calculated on the 31<sup>st</sup> day of March of every year, to frame a policy for distribution of dividend.
- 1.4 This policy aims at laying down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to shareholders and/or retention or plough back of its profits.
- 1.5 The Board of Directors may in extra-ordinary circumstances, deviate from the parameters listed in this Policy.

#### **2.0 POLICY**

- 2.1 The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

**a. The circumstances under which the shareholders may or may not expect dividend;**

The Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings unless the Company is restrained to declare the dividend in unexpected circumstances.

**b. The financial internal / external factors that shall be considered by the Board before making any recommendations for a dividend include, but are not limited to:**

- Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position keeping in view the total debt to equity ratio.
- Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.
- Providing for unforeseen events and contingencies with financial implications.
- Dividend payout ratio and dividend yield
- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

**c. Policy as to how the retained earnings shall be utilized.**

The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined in applicable laws or it can be distributed to the shareholders.

**d. Provisions in regard to various classes of shares.**

Currently, the Company has only one class of shares, namely, Equity Shares. The provisions of this Policy shall apply to all classes of shares in future, if any.

- 2.3 Any approved Dividend shall be paid out of the profits of the Company for that year or out of the profits of the Company for any previous year or years arrived at after providing for depreciation for the year and previous years as per the law; or out of both; or out of any other funds as may be permitted by law. Interim dividend when approved shall be paid during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is declared; or out of any other funds as may be permitted by law.
- 2.4 The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

**3.0 DISCLOSURE**

This Policy on dividend distribution shall be disclosed in the Annual Report and shall also be uploaded on the website of the Company.

**4.0 REVISION**

This Policy can be changed, modified or abrogated at any time by the Board of Directors of the Company in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which make any of the provisions in the Policy inconsistent with such regulations, then the provisions of such regulations would prevail over the Policy.

Any revision to the Policy should be initiated by the CFO and approved by the Board.

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