

NESCO LIMITED – DIVIDEND DISTRIBUTION POLICY

PREAMBLE

This policy is called “Nesco Limited – Dividend Distribution Policy” (hereinafter referred to as “this Policy”).

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the company is required to frame this Policy.

POLICY

The Policy aims at ensuring compliance with the provisions of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

The Company would, inter alia, consider the following financial parameters and / or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Current year profits arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder; and / or
- Profits from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Fund requirements to finance the working capital needs of the business;
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, expansion, etc;
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;

- Optimal free cash to fund any exigencies, if any;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the retained earnings, if any, shall be disclosed to the shareholders in the Board's Report forming part of Annual Report of the Company.

The Executive Chairman jointly with the Managing Director of the Company shall suggest the amount to be declared / recommended as Dividend to the Board of Directors of the Company, taking into account the aforementioned parameters.

Parameters adopted w. r. t. various classes of shares:

- The Company has only one class of shares referred to as equity shares of face value of Rs. 10 each, forming part of its Issued, Subscribed and Paid up Share Capital.
- Interim and/or Final Dividend would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final Dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting.

DISSEMINATION OF POLICY

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

AMENDMENTS

This Policy shall automatically stand modified to cover revisions/amendments in accordance with applicable laws and regulations in force from time to time.

The Board may amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy as and when it is required.
