Policy governing

DIVIDEND DISTRIBUTION POLICY

Of

NITIN CASTINGS LIMITED

(CIN: L65990MH1982PLC028822)

DIVIDEND DISTRIBUTION POLICY

I. PREAMBLE

As per the applicable provisions of Companies Act and other applicable rules, the Board of Directors, has approved Dividend Distribution Policy at its meeting held and the policy was last reviewed by the Board at its meeting held on **14.08.2026**.

Further, pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ["Listing Regulations"], read with provisions of section 123, 124 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014 and Secretarial Standards notified and confirmed by Ministry of Corporate Affairs, the Dividend Distribution Policy ["Policy"] has been modified and amended policy is placed before the Board of Directors, at its meeting in **14.08.2026** for approval and adoption thereof.

Regulation 43A of the Listing Regulations makes it mandatory for the top 1000 listed entities based on their market capitalization calculated as on March 31 of every financial year to formulate Dividend Distribution Policy.

II. OBJECTIVE

This Policy aims to ensure that the Company makes rationale decision with regard to the amount to be distributed to the equity and preference shareholders, if any, as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes.

This Policy lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/ declaration of Dividend to its shareholders.

III. DEFINITIONS

a. "Act" means the Companies Act, 2013 and rules made thereunder [including any amendments or re-enactments thereof]

b. "Applicable laws" shall mean the Companies Act, 2013 and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, as amended from time to time and such other act, rules or regulations which deal with the distribution of dividends.

c. "Board" or "Board of Directors" shall mean Board of Directors of the Company, as constituted from time to time.

d. "Company" shall mean Nitin Castings Limited ("Dividend" includes any interim dividend; which is in conformity with Section 2(35) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.

e. "Financial year" shall mean the period starting from 1st day of April and ending on the 31st day of March every year,

f. "Free reserves" shall mean the free reserves as defined under Section 2 (43) of the Act.

Words and expressions used and not defined in this Policy but defined in the Act or other Applicable Laws shall have the same meaning respectively assigned to them in those Applicable Laws.

IV. PARAMETERS GOVERNING THE DISTRIBUTION OF DIVIDEND

1. **Factors for recommendation/ declaration of Dividend.**

   a. **Internal factors (Financial Parameters)**

   The Board shall consider the below mentioned financial parameters for the purpose of recommendation/declaration of divide:

   i. Current year's net operating profit
   ii. Capital expenditure and working capital requirements
   iii. Financial commitments with respect to the outstanding borrowings and interest thereon.
   iv. Financial requirement for business expansion and/or diversification, acquisition, etc. of new businesses.
   v. Provisioning for financial implications arising out of unforeseen events and/or contingencies.
   vi. Past dividend trend
   vii. Capital adequacy ratio

   b. **External factors**

   The Board shall also consider the below mentioned external factors at the time of taking a decision with respect to recommendation/declaration of dividend:

   i. Applicable laws and Regulations including taxation laws
   ii. Economic conditions
   iii. Prevalent market practices
   iv. Dividend payout ratio and comparison of dividend payout by the competitors.

2. **Circumstances under which the shareholders of the Company 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 Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth 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.

3. **Manner of utilisation of Retained Earnings**

   The Board of Directors of the Company may recommend/declare dividend out of the profits of the Company or out of the profits for any previous year or years or out of Free Reserves available for distribution of dividend, as per the regulatory provisions after consideration of the factors as stated at point no. 1 above. The Company shall ensure compliance with the requirements in this respect as laid down under the provisions of Section 123 of the Act and other Applicable Rules/Provisions.

4. Manner of Declaration and Payment of Interim Dividend.

The Board of Directors of the Company may declare Interim Dividend during any financial year or at any time during the period from closure of financial year till the holding of the Annual General Meeting.
The Board shall consider the financial results of the Company for the period for which Interim Dividend is to be declared and shall be satisfied that the financial position of the Company justifies and supports the declaration of such Interim Dividend.

The financial results shall take into account the following-

a. Depreciation for the full year;
b. Tax on profits of the Company including deferred tax for full year;
c. Other anticipated losses for the Financial Year;
d. Dividend that would be required to be paid at the fixed rate on preference shares, if any ;
e. The Losses incurred, if any, during the current financial year up to the end of the quarter, immediately preceding the date of declaration of Interim Dividend;

In case, where the Company has incurred losses during the current Financial Year up to the end of the quarter immediately preceding the date of declaration of Interim Dividend, such Dividend shall not be declared at a rate higher than average Dividend declared during the immediately preceding three financial years.

5. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Regulations shall prevail.

6. AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

7. DISCLOSURE

The Policy shall be disclosed on the website of the Company and a web-link shall also be provided in its annual report.

If Company proposes to declare dividend on the basis of parameters in addition to the ones listed in this Policy or proposes to change such additional parameters or the Policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.