



NATRINAI VENTURES LIMITED

Dividend Distribution Policy

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

(Adopted by the Board of Directors on October 16, 2024)

CIN: U40100TZ2015PLC021605

**Registered Address: No.114, E4, 4th Floor, Sreemathi Mariammal Towers, Race Course,
Coimbatore Racecourse, Coimbatore, Coimbatore South, Tamil Nadu, India, 641018**

1. SCOPE, OBJECTIVES AND PHILOSOPHY

The Dividend Distribution Policy ("the Policy") seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. The Policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The objective of this Policy is to reward its shareholders by returning a portion of its profits after retaining sufficient funds for growth of the Company thus maximizing shareholders' value.

The Policy shall broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc., with a view to ensure fairness, transparency, sustainability, and consistency in the decision for distributing profits to shareholders.

The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilize its profits inter alia for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy is being recommended for adoption by the Board of Directors of **Natrinai Ventures Limited**.

2. STATUTORY REQUIREMENTS

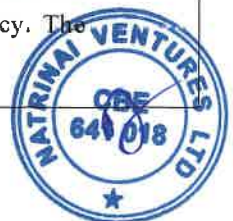
The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act") in particular Sections 2(35), 24, 51, 123, 124, 125, 126, 127 and 134(3)(k), of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such other applicable provisions of law and the Articles of Association of the Company as amended.

3. DEFINITIONS

The terms referred to in the Policy will have the same meaning as defined under the Act and the SEBI Listing Regulations.

4. PARAMETERS TO BE CONSIDERED WHILE MAKING RECOMMENDATION / DECLARATION OF DIVIDEND

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period based on available financial resources, business requirements and taking into account optimal shareholder return, and other parameters described in this policy. The Board may in extraordinary circumstances, deviate from the parameters listed in this policy.



Dividend pay-out would also be subject to profitability under the Financial Statements and while declaring or recommending quantum of the dividend pay-out to the shareholders, the Board would consider the financial/internal and external factors:

Financial Parameters and Internal Factors:

- Operating cash flow of the Company;
- Profit after tax during the year and Earnings Per Share (EPS);
- Mandatory transfer of profit to specific reserves, such as Debenture Redemption Reserve, etc.
- Accumulated reserves, including retained earnings.
- Earning Stability
- Growth plan, both organic and inorganic
- Working capital requirements;
- Future Capital expenditure requirement of the company;
- Expansion of existing business and entry into new lines of business;
- Likelihood of crystallization of contingent liabilities if any;
- Additional investment in subsidiaries and associates of the company including acquisitions;
- Capital restructuring, debt reduction, capitalization of reserves
- Upgradation of technology and physical infrastructure;
- Covenants in loan agreements, Debt service obligations and Debt maturity level

External Factors:

- Industry Outlook
- Economic environment, both domestic and global;
- Changes in government policies and regulatory provisions
- Inflation rates;
- Global conditions;
- Cost of raising funds from alternate sources
- Dividend pay-out ratio of competitors

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the applicable laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board, including:

- Proposed expansion plans, renovations and up-gradations requiring higher capital allocation;
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow;
- Requirement of higher working capital for the purpose of business of the Company;
- Debt obligations;
- Proposal for buy-back of securities;
- In the event of loss or inadequacy of profit for the financial year.
- Prohibition to recommend / declare dividend by any regulatory body.



6. POLICY AS TO HOW RETAINED EARNINGS WILL BE UTILIZED

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:

- Long term strategic plans for growth;
- Augmentation / Increase in power generation capacity
- Market expansion plans;
- Products and Services expansion plan
- Modernization plan;
- Declaration of dividend or issue of Bonus Shares;
- Diversification of business;
- Replacement of capital assets;
- Balancing the capital structure by de-leveraging the Company
- Such other criteria as the Board may deem fit from time to time.

7. QUANTUM AND MANNER OF DIVIDEND PAYOUT

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a reasonable dividend pay-out ratio based on the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

In addition to the above, the Board of Directors of the Company may also consider declaration of any special dividend, in special circumstances, as and when they may deem fit, subject to the provisions of the Companies Act, 2013 and rules made thereunder and other relevant requirements, if any. Special dividends, if any, will be declared in addition to the regular dividend payout.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. 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. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and terms of issue thereof

9. DISCLOSURES

The Policy shall be disclosed in the annual report and on the website of the Company i.e., at <https://www.ngegreenenergy.com/>



10. POLICY REVIEW AND AMENDMENTS

The Board may review, amend, abrogate, modify, or revise any or all provisions of this Policy from time to time. This policy has been adopted by the Board of Directors of the Company at its meeting held on October 16, 2024, being the effective date of this Policy.

11. DISCLAIMER

- a) 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.
- b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

For NATRINAI VENTURES LIMITED,


WHOLE-TIME DIRECTOR & CEO
DIN : 07281007

