

# **NMDC STEEL LIMITED**

**REGD OFFICE: C/O NMDC IRON & STEEL PLANT, POST: NAGARNAR  
DISTRICT BASTAR, PIN – 494001, CHHATTISGARH.  
CIN: U27310CT2015GOI001618**

## **DIVIDEND DISTRIBUTION POLICY**

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(As approved by the Board of Directors at its meeting held on 25.01.2023)**

## **DIVIDEND DISTRIBUTION POLICY**

### **PREAMBLE:**

The shares of NMDC Steel Limited (the “Company”) are listed on National Stock Exchange of India Limited (NSE), Mumbai and BSE Limited, Mumbai. As per the requirement of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The Board of Directors of the Company (“the Board”) has approved the Dividend Distribution Policy of the Company (“the policy”).

### **OBJECTIVE:**

The Company strives for maximization of shareholders’ value and believes that this can be attained by driving growth. The Policy endeavors to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for the growth of the Company and other needs. The objective of the policy is to lay down a consistent approach to dividend declaration.

### **PARAMETERS FOR DIVIDEND DISTRIBUTION:**

The Company has only one class of shares i.e. equity shares and, hence the parameters disclosed hereunder apply to the same.

The Board while considering payment of dividend for a financial year may, inter alia consider the following factors:

- Profit for the financial year.
- Retained Earnings.
- Earnings Outlook for future.
- Present and future Capex plans of the Company.
- Other Liquidity needs of the company.
- Compliance with the provisions of the Companies Act or any other statutory guidelines issued by Govt.
- Macro environment - Significant changes in macro-economic environment materially affecting the business in which the company is engaged in.
- Regulatory Changes- Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the company is engaged.
- Any other relevant factors and material events.

The Profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one-off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.

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The Company would endeavor to pay minimum dividend of 30% of Profits after tax (PAT) or 5% of Net worth, whichever is higher subject to maximum dividend permitted under legal provisions (and subject to all other considerations as listed above).

In case the Company declares a lower dividend for a particular year due to inadequacy or absence of Profits/Reserves or otherwise, the reasons and justification thereof shall be disclosed to the shareholders through Annual Report of the Company.

The Company is committed to continuous growth and has plans requiring significant capital outlay. The retained earnings, after distribution of dividend, shall primarily be utilized towards this purpose.

Dividend shall be recommended by the Board for approval of shareholders of the Company for payment. However, Board may also consider payment of Interim Dividend as and when it feels appropriate.

### **GENERAL:**

In the event of the policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision.

The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the policy as it may deem fit or in accordance with the guidelines as may be issued by SEBI, GoI, or any other regulatory authority. The change in the policy shall, however be disclosed along with the justification thereof on the Company's website and in the ensuing Annual Report in accordance with the extant regulatory provisions.

### **MODIFICATIONS/ DEVIATIONS TO THE POLICY :**

CMD – NMDC is authorized to approve any modifications/deviations to the Policy and will be the Competent Authority for any interpretation regarding the policy.

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