



TECHNOCRAFT VENTURES LIMITED

(Formerly known as M/s Technocraft Construction Private Limited)

ISO 4500:2018 | ISO 14001:2015 | ISO 9001:2015 Certified

DIVIDEND DISTRIBUTION POLICY

Corporate Office: TECHNO TOWER, B-137, Sector 2, Near Sector 15 Metro Station, Noida (U.P.)-201301

Registered Office: S 553/54, Ground Floor, School Block, Shakarpur, New Delhi-110092

Phone: 0120-4216717 | E-mail: info@technocraftconstruction.com

CIN: U70101DL1998PLC096763

1. Introduction

- 1.1. The provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) require the top one thousand listed entities based on market capitalisation (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed on the website of the listed entity and a web-link shall also be provided for the same in their annual reports. The other listed companies may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports
- 1.2. Technocraft Ventures Limited (the “**Company**”) has framed this dividend distribution policy in accordance with Regulation 43A of the Listing Regulations. The Board of Directors of the Company (the “**Board**”), at its meeting held on May 29, 2025 have approved and adopted the Dividend Distribution Policy of the Company (the “**Policy**”).

2. Effective Date

This Policy will come into effect from the date of its adoption by the Board.

3. Objectives and Purpose

- 3.1. The objective of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Policy aims to strike an optimum balance between rewarding the shareholders of the Company (the “**Shareholders**”) through dividend and ensuring that sufficient funds are retained for the growth of the Company. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on the distribution of or retention of profits, in the interest of providing transparency to the Shareholders.
- 3.2. The Policy is not an alternative to the decision of the Board for recommending/ declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder, or other factors as may be decided by the Board.

4. Definitions

The terms referred to in this Policy will have the same meaning as defined under the Act and the rules made thereunder and the Listing Regulations.

5. Declaration and Payment of Dividend

- 5.1. The Board shall recommend dividend in compliance with this Policy, the provisions of the Companies Act, 2013 (the “**Act**”) and rules made thereunder, Listing Regulations, other applicable legal provisions and the articles of association of the Company.
- 5.2. Interim Dividend
 - (a) The Board shall declare an interim dividend during the financial year, as and when they consider it fit to so declare. The interim dividend can be declared by the Board one or more times in a financial year and normally, the Board may consider the declaration of interim dividend after the finalization of the quarterly/half yearly financial statements of the Company.
 - (b) In case no final dividend is declared for any particular financial year, the interim dividend declared by the Board during the financial year, if any, shall be regarded as final dividend for the year in the Annual General Meeting (“**AGM**”).

5.3. Final Dividend

The Board shall recommend the final dividend in the Board meeting that considers and approves the annual financial statements, subject to approval of the Shareholders. The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

6. Parameters to be considered while recommending/declaring dividend

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

6.1. Statutory Requirements

The Board shall comply with the provisions of the Act and rules applicable thereunder including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

6.2. Internal Factors

The Board shall consider the following internal factors, including the financial parameters, before declaring or recommending a dividend to shareholders, which, *inter alia*, would include:

- (a) Magnitude and Stability of Earnings: The extent of stability and magnitude of the Company's earnings will directly influence the dividend declaration, thereby making the dividend directly linked to the availability of the earnings (including accumulated earnings) with the Company;
- (b) Liquidity Position: A Company's position also determines the level of dividend and if a Company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of the dividend pay-out;
- (c) Future Requirements: If the Company foresees some profitable investment opportunities in the near future including, but not limited to, brand/business acquisitions, expansion/modernization of existing businesses, additional investments in subsidiaries/associated of the Company, fresh investments into external businesses, then the Company may decide for a lower dividend payout and vice versa;
- (d) Financial commitments with respect to the outstanding borrowings and interest thereon;
- (e) Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses;
- (f) Present and Future Capital expenditure plans of the Company, including organic/inorganic growth opportunities;
- (g) Cost of borrowings;
- (h) Current financial year profits and retained earnings of the Company;
- (i) Company's prospects, including its continued ability to sustain its profits;
- (j) Leverage the profile and liabilities of the Company;
- (k) Mandatory transfer of profits earned to specific reserves, such as the Debenture Redemption Reserve, etc.;
- (l) Additional investments in subsidiaries/ associates of the Company;
- (m) Capital restructuring, debt reduction, capitalisation of shares;
- (n) Current and projected Cash Balance and the Company's working capital requirements;
- (o) Past dividend trends i.e., rate of dividend, EPS and payout ratio, etc.;
- (p) Other corporate action options (for example, bonus issue, buy back of shares); and
- (q) Any other relevant or material factors, as may be deemed fit by the Board.

6.3. External Factors

The Board shall consider the following external factors:

- (a) Legal/statutory provisions and regulatory concerns: The Board shall consider the restrictions imposed by the Act or any other applicable laws with regard to the declaration and distribution of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend;
- (b) State of the economy: The Board will endeavor to retain the larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situations where the policy decisions of the Government have a bearing on or affect the business of the Company;
- (c) Taxation Policy: The tax policy of a country also influences the dividend policy of a Company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends;
- (d) Capital Markets: In case of unfavorable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources;
- (e) Evaluate the dividend pay-out ratios of companies in the same industry;
- (f) Evaluate if there are any exceptional circumstances in the global market;
- (g) Any other relevant or material factors, as may be deemed fit by the Board; and
- (h) The Company may also take into account the rate of inflation when declaring of dividend.

7. **Circumstances under which the Shareholders may not expect dividend**

- 7.1. The Shareholders may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation etc., and complying with all other statutory requirements of the Act. Company's immediate expansion plan shall also be an important factor for considering and declaring dividend.
- 7.2. The Shareholders may not expect dividend in the following circumstances, subject to the discretion of the Board:
 - (a) In the event of inadequacy of profits or whenever the Company has incurred losses;
 - (b) If the Company proposes to utilize the surplus cash for buy-back of securities;
 - (c) If the Company undertakes or proposes to undertake a significant expansion project requiring high allocation of capital;
 - (d) If the Company has significantly high working capital requirements adversely impacting free cash flows;
 - (e) If the Company undertakes any acquisitions or joint ventures requiring significant allocation of capital;
 - (f) If Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend;
 - (g) If there are factors that impact future profits in a substantial manner; or
 - (h) If there are prolonged strikes or lockouts, natural calamities, regulatory actions, major accidents, or other events significantly impacting production volumes;

- (i) retirement of debt;
- (j) If there is an operation of any law in force which restricts the payment of dividends in particular circumstances;
- (k) If the Company does not have enough "safety cash" for their operations;

8. Parameters that shall be adopted with regard to various class of shares

The provisions contained in this policy shall apply to all classes of shares of the Company.

9. Entitlement and timelines for dividend payments

9.1. Entitlement

The dividend shall be paid to the Shareholders entitled to receive the dividend on the record date/book closure date as per applicable laws.

9.2. Timelines

The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the Shareholders in the AGM in case of Final Dividend.

10. Manner of utilization of retained earnings

The retained earnings shall be deployed in line with the objects of the Company as detailed in the memorandum of association of the Company. The Company shall endeavor to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and also its Shareholders. The decision of the utilization of the retained earnings shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

11. General

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company, from time to time.

12. Amendment

Any change in the Policy shall be approved by the Board. The Board shall have the right to amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

13. Interpretation

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

14. Conflict of policy

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

15. Disclosures

The Policy shall be disclosed on the website of the Company and a web-link shall also be provided in the annual report. If the Company proposes declaring dividend on the basis of the parameters in addition to the parameters mentioned above in this policy, it shall disclose such changes along with the rationale for the same in its Annual Report & on its website.

For Technocraft Ventures Ltd.


Director