



MANAGED
TRAINING
SERVICES

NIIT LEARNING SYSTEMS LIMITED
Dividend Distribution Policy

CONTENT

S. NO.	TITLE	PAGE NO.
1	Preamble	3
2	Objectives of the Policy	3
3	Definitions/ Terms Used	3
4	Policy	3
8	Review/ Amendment	4
9	Scope and Limitation	4

1. PREAMBLE

This Policy (hereinafter referred to as “Policy”) shall be called “Dividend Distribution Policy” of the Company.

The “Dividend Distribution Policy” has been framed in compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”).

This Policy has been adopted by the Board of Directors of the Company at its meeting held on May 24, 2023. This Policy shall be effective immediately.

2. OBJECTIVES OF THE POLICY

In accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), the Board of Directors (the Board) of NIIT Learning Systems Limited (the Company) has approved this Dividend Distribution Policy (the Policy) which provides the guidelines on distribution of dividend to the shareholders from time to time. The Board may deviate from the parameters listed in this Policy under unexpected/ extraordinary circumstances. This Policy shall be applicable to Equity Shares, the only class of shares issued by the Company.

3. DEFINITIONS/TERMS USED

“**Board of Directors**” or “**Board**” means the Board of Directors of NIIT Learning Systems Limited, as constituted from time to time.

“**Company or NLSL**” means NIIT Learning Systems Limited.

“**Listing Regulations or LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.

“**Stock exchange(s)**” means the stock exchange(s) where the securities of the Company are listed.

4. POLICY

The Board shall determine the dividend after taking into consideration the financial performance of the Company, divestment proceeds, applicable statutory provisions, investment opportunities, competitive and macroeconomic environment, industry trends, advice of executive management, and other parameters described in this Policy. Dividend will normally be declared from the Profit After Tax of the current year’s operations of the Company. Dividend may also be declared in any particular financial year by utilizing retained earnings.

The following financial and other internal parameters shall be considered by the Board for dividend:

- Current year profits and future outlook
- Excess cash after providing for

- Capital allocation plans, including
 - Expected cash requirements of the Company towards working capital, and capital expenditure in content, technology and Infrastructure etc.;
 - Investments required towards execution of the Company's strategy;
 - Funds required for any acquisitions; and
 - Any share buy-back plans.
- Funds required to service any outstanding loans and other liabilities
- Sufficient cash balance required for maintaining strong balance sheet, after providing for contingencies and unforeseen events
- Any other developments that may require material cash investments
- Debt to Equity, and other liquidity ratios
- Any contractual and other covenants

Similarly, the following external parameters would be considered:

- Macro-economic environment affecting the geographies in which the Company and its clients operate
- Significant change in the business or technological environment leading to major investments for business transformation
- Changes in the competitive environment.
- Changes in the Political, tax and regulatory environment relevant to the Company.

The profits earned shall be used for the business purpose mentioned hereinabove to maximize shareholders' value, create cash reserve and distribution to the shareholders.

The Board shall consider dividend alongwith annual financial Results of the Company. The Board may also consider dividend at any other time, at its discretion, based on excess cash in the Company or at any specific event.

This Policy will be reviewed periodically and will be published on the Company's site and in the Annual report.

5. REVIEW / AMENDMENT

The Board may, subject to applicable laws, review and 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.

The Board may establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance.

6. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ the Act or any other statutory enactments, rules, the provisions of such Listing Regulations / the Act or statutory enactments, rules (as amended from time to time) shall prevail over this Policy. The provisions in the Policy would be modified in due course to make it consistent with statutory provisions/law.

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