THE NEW INDIA ASSURANCE CO. LTD.

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE
The shares of NIACL are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. As per regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred listed entities based on market capitalization (calculated as on March 31st of every year) need to formulate a dividend distribution policy which shall be disclosed in the Annual Report and on their Websites.

This policy lays down the general framework for considering and deciding the distribution of dividend to the Company’s shareholders and/or retaining of earnings for sustained growth.

2. POLICY FRAME WORK
The purpose of the policy is to specify in broad terms, the external and internal factors including financial parameters that will be considered while deciding on the distribution of dividend, the circumstances under which shareholders of the Company, may or may not expect dividend the policy relating to retention and utilisation of earnings and the parameters that shall be adopted with regard to various classes of shares. If the Company proposes to declare dividend on the basis of parameters in addition to the above or proposes to change such additional parameters or the dividend distribution 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.

The policy will be implemented by the Company keeping in view the provisions of SEBI (LODR) Regulations, the Companies Act 2013 and also taking into consideration guidelines issued by Ministry of Finance

3. EFFECTIVE DATE OF THE POLICY:
The Policy shall become effective from the date of its adoption by the Board i.e. 11.05.2018

4. OBJECTIVE OF THE POLICY
Dividend Distribution Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company is committed to deliver sustainable value to all its stakeholders.

5. FACTORS CONSIDERED WHILE DECLARING DIVIDEND
In pursuance of Section 123 of the Act, no dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation. However normally, the Company will decide to declare dividend only out of current year’s profits after providing for depreciation in
accordance with the law and after transfer to the reserves of the Company such portion of the profits as may be considered appropriate for future growth.

Interim dividend will be based on profits of the current year as per unaudited results after providing for depreciation in accordance with law and Management estimates of profits for full financial year.

Dividend distribution tax payable by the Company on dividend paid to shareholders will also be considered.

The quantum of dividend declared by the Company would depend upon the following external and internal factors:

The factors that shall impact the decision to pay dividend will inter-alia include economic environment, avenues for alternate deployment of capital, statutory requirements, tax implications and such other factors as the Board may deem fit.

The Company may endeavour to pay minimum annual dividend of 30% of Profit after Tax (PAT) or 30% of equity, whichever is higher.

6. UTILISATION OF RETAINED EARNINGS
The retained earnings will be deployed in line with the objects of the Company as detailed in the Memorandum of Association of the Company. The profits being retained in the business shall be continued to be deployed by the Company in various projects/plans as considered appropriate by the Board of the Company.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND
a. The Company has been consistently paying dividends to its shareholders and that it will continue to do so in future is a reasonable expectation unless circumstances warrant the contrary.

b. The shareholders of the Company may or may not expect dividend depending upon the circumstances including, but not limited, to the following:

a) In the event of inadequacy of profits or whenever the Company has incurred losses;

b) Due to regulatory eligibility criteria for recommendation of dividend, including any regulatory restriction placed on the Company on declaration of dividend

c) Any other circumstance/instance which the Board of Directors may consider relevant to the dividend declaration decisions.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES
The Company has issued only one class of shares i.e. equity shares with equal voting rights, all the shareholders of the Company are entitled to receive the same amount of dividend per share. As and when it proposes to issue any other class of shares, the Policy shall be modified accordingly.

9. MANNER & TIMELINES FOR DIVIDEND PAYMENT:
   Interim Dividend:
   Interim Dividend (if any) shall be declared by the Board.
   In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

   Final Dividend:
   Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

   The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

10. REVIEW
   The dividend policy of the Company may be reviewed annually, or amended or modified at any point of time as it may deem necessary and/or as may be required from time to time in accordance with subsequent amendments in Companies Act 2013 & Companies Rules, Circulars, Notifications, Guidelines thereto, SEBI Listing regulations 2015, the relevant guidelines of Ministry of Finance and other applicable regulations.

   All changes and amendments to this Policy shall be made following a decision passed by the Company’s Board of Directors.

11. Disclosure
   This policy shall be disclosed in the Annual Report and hosted on the Company’s website.