



JMC Projects (India) Limited

DIVIDEND DISTRIBUTION POLICY

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JMC Projects (India) Limited

Dividend Distribution Policy

Sr. No.	Content	Page No.
1.	Background and Philosophy	3
2.	Objective	3
3.	Applicability and Effective Date of the Policy	3
4.	Definitions	4
5.	Procedure	4
6.	Parameters for declaration of Dividend	5
7.	Circumstances under which the shareholders may not expect dividend	6
8.	Utilisation of Retained Earnings	6
9.	Parameters for dividend with regard to various classes of shares	7
10.	Disclosure	7
11.	Amendment(s) in the Policy	7

The Board of Directors have adopted this Policy at their meeting held on August 02, 2021, which shall be applicable with immediate effect.

The Policy is authenticated by the following persons.

Name	Signature
Mr. Shailendra Kumar Tripathi CEO & Managing Director	Sd/-
Mr. Azad Shaw Chief Financial Officer	Sd/-



JMC PROJECTS (INDIA) LIMITED

Dividend Distribution Policy

1. BACKGROUND AND PHILOSOPHY

The Dividend Distribution Policy (“the Policy”) establishes the principles to ascertain amount 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.

The philosophy of the Company is always to maximize the shareholders’ wealth. The Company believes that returning cash to shareholders is an important component of overall value creation. In distributing the profits of the Company among shareholders, the Board of Directors will seek to balance Shareholder’s need for a reasonable and predictable return on their investment with the Company’s funding requirements for long term sustainable growth. The Company has a consistent Dividend Track Record and the policy of the Company is in line with regulatory guidelines and historic trends.

The Company follows a transparent mechanism for declaring dividends and retaining earnings accrued in a given financial year for future capital expenditures, working capital requirements, earmarking reserves for inorganic growth opportunities or for retiring debt and thereafter distributing the surplus profits in the form of dividend to the shareholders.

2. OBJECTIVE

The main objective of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company while ensuring to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. This Policy endeavors for fairness, consistency and sustainability while distributing profits to the shareholders.

The Company’s dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

3. APPLICABILITY AND EFFECTIVE DATE OF THE POLICY

This Dividend Distribution Policy has been developed in compliance of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It

provides that top thousand listed entities based on their market capitalization (calculated as on March 31 of every Financial Year) shall formulate a Dividend Distribution Policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their Annual Reports.

The Board of Directors of the Company has approved this Policy in its meeting held on August 02, 2021 and the same shall be effective from August 02, 2021.

4. DEFINITIONS

“Act” means Companies Act, 2013 and Rules made thereunder, including any modifications, amendments or re-enactment thereof.

“Board” means Board of Directors of the Company.

“Company” shall mean JMC Projects (India) Limited.

“Dividend” shall mean Dividend as defined under the Companies Act, 2013 and includes any Interim Dividend.

“Financial Year” shall mean the period beginning from 1st April of every year to 31st March of succeeding year.

“Policy or this Policy” shall mean Dividend Distribution Policy, as may be amended from time to time.

5. PROCEDURE

The Company would endeavor to keep consistent Dividend payment track record except for the reasons to be recorded.

Dividend pay-out in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company’s future growth.

If the Company proposes to declare dividend on the basis of parameters in addition to this Policy or proposes to change such 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 the Annual Report and on the website.

Pursuant to the provisions of applicable laws and this Policy, Interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholder’s approval, at the ensuing Annual General Meeting of the Company. The Company shall ensure compliance of provisions of applicable laws and this Policy in relation to Dividend declared by the Company.

6. PARAMETERS FOR DECLARATION OF DIVIDEND

The Dividend payment decision of the Company depends upon certain Internal (including financial parameters) and External Factors like:

Internal Factors:

- a. Profits Earned: The extent of stability and magnitude of Company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the Company.
- b. Capital Expenditure requirements and future working capital requirements.
- c. Current and Projected Liquidity Position: A Company's liquidity position also determines the level of dividend. If a Company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.
- d. Committed or Projected Cash Flow Requirement: If a Company foresees some profitable investment opportunities including but not limited to Brand / Business Acquisitions, Business Expansion / Modernization of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend pay-out.
- e. Operating Cash flows, debt equity ratio, Leverage profile and liabilities of the Company.
- f. Outlook, Internal budget, accumulated reserves, earning stability of the Company.
- g. Providing for unforeseen events and contingencies with financial implications.
- h. Deployment of funds in short term marketable investments.
- i. Long term Investments.
- j. Any other factor as deemed fit by the Board.

External Factors:

- a. Industry Practice: The nature of industry in which a Company is operating influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.
- b. Statutory Provisions and Regulatory concern: The Board should keep in mind the restrictions imposed by the Companies Act, 2013 or any other applicable laws with regard to declaration of dividend and quantum of dividend. Further, any restrictions on payment of dividend by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.
- c. Macro-Economic Factors and General Business Environment: The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
- d. Fiscal Policy: The tax policy of the 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.

- e. Capital Markets: In case of unfavorable market conditions, 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.
- f. External Financing Cost, Industry outlook and Inflation rate.
- g. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect Dividend under the following circumstances:

- a. Due to operation of any other law in force;
- b. Due to inadequate profit or losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- c. Due to any restrictions and covenants contained in any agreement as may be entered into with the Lenders;
- d. Whenever Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital or undertakes any acquisition or restructuring;
- e. Significant higher working capital requirements adversely impacting free cash flow;
- f. Whenever it proposes to utilise surplus cash for buy-back of securities;
- g. Adverse market conditions and business uncertainty;
- h. Inadequacy of cash balance;
- i. Major forthcoming capital requirements which are best funded through internal accruals;
- j. Changing government regulations, etc.

Even under such circumstances, the Board may, at its discretion, and subject to applicable regulations, choose to recommend a dividend out of the Company's free reserves.

8. UTILISATION OF RETAINED EARNINGS

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. These earnings may be utilized for internal financing of various projects of the Company, investment in new business, additional investment in existing business, Capital Expenditure, declaration of dividend, Capitalisation of shares, buy back of shares, fixed as well as working capital and other Business requirements of the Company. The Company will utilize its retained earnings for the growth of the Company. The Company may choose to retain a part of its profits and distribute the balance among

its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

9. PARAMETERS FOR DIVIDEND WITH REGARD TO VARIOUS CLASSES OF SHARES

At present, the Company does not have different classes of shares and follows the 'one share, one vote' principle. In the future, if the Company issues multiple classes of shares, the parameters of this Policy will be appropriately addressed.

10. DISCLOSURE

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. AMENDMENT(S) IN THE POLICY

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.