Dividend Distribution Policy

1. REGULATORY REQUIREMENT

This Dividend Distribution Policy ("**the Policy**") applies to the declaration and distribution of dividend by John Cockerill India Limited ("**the Company**") and has been formulated in accordance with the provisions of the Companies Act, 2013 ("**the Act**"), the Companies (Declaration and Payment of Dividend) Rules, 2014 ("**the Rules**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), as amended from time to time, such other applicable provisions of law and the Articles of Association of the Company as amended.

2. SCOPE AND OBJECTIVE

The Dividend Distribution Policy ("**Policy**") outlines the guidelines for determining the amount of profit that can be distributed to equity shareholders as dividends. It aims to strike a balance between dividend payouts and retaining earnings for the company's future needs and to maintain fairness and consistency while considering distributing dividend to the shareholders. This policy will be applicable to accounting periods beginning from January 1, 2025.

The Policy outlines the circumstances and various factors the Board of Directors ("**Board**") must consider when deciding whether to distribute or retain profits, with the aim of ensuring transparency for shareholders.

The policy is designed to support and is not an alternative to the Board decision for recommending dividend. The Board thoughtfully evaluates all relevant factors, including those outlined in the Policy, as well as any other considerations deemed important, to make an informed and balanced decision.

Dividends will generally be recommended by the Board annually, after the announcement of the financial year results and prior to the Annual General Meeting of shareholders, in accordance with the Companies Act. Additionally, the Board may also declare interim dividends, when permitted under the Companies Act, further reflecting the company's strong performance and dedication to rewarding shareholders.

3. PARAMETERS FOR DETERMINING RECOMMENDATION / DECLARATION OF DIVIDEND

This Policy outlines the circumstances, parameters and factors that will be taken into account by the Board of the Company for determination of distribution of dividend to its shareholders.

(a) the circumstances under which the shareholders may or may not expect dividend;

The decision to declare a dividend is an important decision, as it ensures a balanced allocation of profits between rewarding the shareholders and supporting the company's growth. Shareholders of the Company may expect dividend when the company has ample surplus funds, after covering all expenses, depreciation, and meeting all statutory requirements under the applicable laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

(i) in the event of inadequacy of profits or whenever the Company has incurred losses.
(ii) whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.
(iii) the Company has significant higher working capital requirements adversely impacting free cash flow.
(iv) the Company undertakes / proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
(v) the Company proposes to utilize surplus cash for buy - back of securities;
(vi) the Company is prohibited to recommend / declare dividend by any regulatory body.

(b) the financial parameters / internal factors that shall be considered while declaring dividend;

The Board of the Company shall take into account the financial parameters and internal factors, it considers appropriate when declaring or recommending dividends to shareholders. These may include, but are not limited to, the following:

(i) Profits earned and available for distribution during the financial year.
(ii) Accumulated reserves, including retained earnings.
(iii) Mandatory transfer of profits to specific reserves.
(iv) Past dividend trends, including the rate of dividend, EPS, and payout ratio.
(v) Earnings stability.
(vi) Cash flows and current and projected cash balances, along with the company's working capital requirements.
(vii) Future capital expenditure requirements, growth plans, both organic and inorganic.
(viii) Crystallization of contingent liabilities.
(ix) Resources required to fund acquisitions and / or new businesses
(x) Any other relevant factors and material events

(c) external factors that shall be considered for declaration of dividend;

The Board of the Company shall take into account the external factors, it considers appropriate when declaring or recommending dividends to shareholders. These may include, but are not limited to, the following:

(i) Applicable laws, legal requirements, regulatory conditions, and restrictions, including tax laws.
(ii) Dividend payout ratios of companies within the same industry.
(iii) Significant changes in the macroeconomic environment impacting India, the regions where the Company operates, or the business of the Company and its clients.
(iv) Political, tax, and regulatory changes in the regions where the Company operates.
(v) Major changes in the business or technological environment that require significant investments to adjust the Company's business model.
(vi) Changes in the competitive landscape necessitating substantial investment.
(vii) Inflation rate.
(viii) Cost of external financing.
(ix) Shareholders expectation.
(x) Any other relevant factors or material events.

The Board may decide not to declare a dividend or recommend a lower payout for a particular financial year after assessing potential opportunities, risks, or challenging circumstances, such as changes in the regulatory or financial environment. In such cases, the Board will provide an explanation in the Annual Report.

(d) policy as to how the retained earnings shall be utilized;

The profits earned by the Company can either be retained in business and used for such purposes as the Board may determine from time to time, including those outlined in clause (b) above or distribute them to shareholders. It may opt to retain a portion of the profits and distribute the remaining balance as dividends to shareholders, in line with the parameters set forth in this Policy.

(e) parameters that shall be adopted with regard to various classes of shares;

The provisions of this Policy are applicable to all classes of shares in the Company. Currently, the Company has only one class of shares, namely equity shares.

4. LIMITATION, REVIEW AND AMENDMENTS

In the event of any conflict between the provisions of this Policy and the provisions of the Act, the Rules, Listing Regulations, or any other applicable statutory laws or rules, the provisions of the Act, the Rules, Listing Regulations, or statutory laws shall take precedence over this Policy.

Any future amendments or modifications to the Listing Regulations, the Act, the Rules or relevant laws will automatically apply to this Policy. The Board may review and / or amend this Policy as needed from time to time.

5. DISSEMINATION OF POLICY

This Policy, as approved by the Board, at its meeting held on February 20, 2025, shall be disclosed in the Annual Reports and hosted on the website of the Company at www.johncockerillindia.com

6. DISCLAIMER

This Policy provides general guidance on the Company’s dividend approach but does not commit to future dividends. It allows the Board the flexibility to exercise discretion when recommending dividends for any given period / year, and the Board may adjust the Policy as needed based on evolving circumstances. Investors are advised to consider potential uncertainties in the Policy's forward-looking statements, while noting the company’s adaptability.