



JAMNA AUTO INDUSTRIES LIMITED

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), the Board of Directors of the Company (“the Board”) has approved the Dividend Distribution Policy of the Company (“the Policy”).

The Company presently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review as and when the Company issues different classes of shares.

The primary aim of the Company has always been to share the rewards of performance with shareholders. In accordance with the Company’s medium-term strategy focused on value-creation for its stakeholders, the Company has a consistent dividend policy of distribution of 33% of the net profits as dividend (inclusive of dividend distribution tax) in a financial year. The Company will endeavor to maintain steady level of dividend payout of 33% of the net profits (inclusive of dividend distribution tax) unless otherwise decided by the Board of Directors in terms of this Policy.

During a financial year, the Board may declare interim dividend(s) and/or the Board may also recommend final dividend. The final dividend shall be subject to approval of the members of the Company at the Annual General Meeting. The declaration and payment of dividend (including interim dividend) shall be in accordance with the provisions of Section 123 of the Companies Act, 2013 read with applicable rules made thereunder, SEBI Regulations and any other applicable provisions of various laws and statutes in force.

The Board will consider following financial parameters and internal and external factors for declaration of dividend:

- (i) The Company’s financial position and financial requirement including working capital, capital expenditure, debt repayment, repayment of debt etc.
- (ii) expansion, modernization, diversification, acquisition plans
- (iii) distributable surplus available as per the Companies Act, 2013 and regulations made thereunder
- (iv) taxation policy
- (v) condition or covenant of any agreement related to declaration and payment of dividend by the lenders of the Company
- (vi) general economic and business conditions

- (vii) any other factors and conditions which the Board of Directors may consider before declaring dividend

The Dividend for any financial year shall normally be paid out of the Company profits for that year. However, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 read with applicable rules made thereunder, SEBI Regulations and any other applicable provisions of applicable laws and statutes in force.

The profits retained shall be continued to be deployed for all or any of the purposes below:

- (i) to fund, fully or partially, ongoing and future expansion, modernization, expansions
- (ii) to fund, fully or partially, financial requirements of the Company including working capital, capital expenditure, debt repayment etc.
- (iii) for buyback of shares
- (iv) for issuance of bonus shares
- (v) for any other purpose(s) as may be permitted under the Companies Act, 2013 and other applicable laws

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

- (i) In the event of loss or inadequacy of profit
- (ii) Prospective merger/acquisition opportunities, growth opportunities/threats/concerns of the Company
- (iii) Higher working capital requirements for business operations of the Company
- (iv) In the event where Board strongly believes the need to conserve capital for growth or other exigencies
- (v) Due to any regulatory obligations and statutory restrictions

The Board of Directors shall have the right to modify, amend or change any or all the clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts /SEBI Regulations or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued under any Applicable laws/ SEBI Regulations, which is not in consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

The Policy will be available at the Company's website at www.jaispring.com.