

Dividend Distribution Policy

1. Background and applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalization) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors ("Board") of Jindal Saw Limited ("Company") has adopted this Dividend Distribution Policy to comply with these requirements.

2. The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders
- Issue of Bonus Shares by the Company
- Buyback of Securities

The policy is subject to review if and when the Company issues different classes of shares.

3. Dividend distribution philosophy

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

5. Circumstances under which shareholders may or may not expect dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

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

- i. Proposed expansion plans requiring higher capital allocation.
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow.
- iii. Requirement of higher working capital for the purpose of business of the Company.
- iv. Proposal for buy-back of securities.
- v. In the event of loss or inadequacy of profit.

6. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

7. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations.
- The Company's liquidity position and future cash flow needs.
- Track record of Dividends distributed by the Company.
- Payout ratios of comparable companies.
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution.
- Capital expenditure requirements considering the expansion and acquisition opportunities.
- Cost and availability of alternative sources of financing.
- Stipulations/ Covenants of loan agreements.
- Macroeconomic and business conditions in general.
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

8. Utilisation of retained earnings

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits.
- Payment of Dividend in future years.
- Issue of Bonus shares.
- Any other permissible purpose.

9. Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

10. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.