



Jagan Lamps Limited

Dividend Distribution Policy ¹

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¹ Policy is first approved by the Board in the meeting held on 08.03.2025 on voluntary basis



1. **Introduction:**

The Securities and Exchange Board of India (“SEBI”) vide its notification dated July 8, 2016 has amended the SEBI (Listing Obligation and Disclosure Requirements), Regulation 2015 (“Listing Regulations”) by inserting Regulation 43A (as amended from time to time), making it mandatory for top 1000 listed companies based on their market capitalization (as on 31st day of every financial year), to formulate a Dividend Distribution Policy. **Jagan Lamps Limited** (“Company”) got listed on the bourses of BSE Limited in 1993. Accordingly, this Dividend Distribution Policy (hereinafter referred to as “this Policy”) is framed for voluntary adoption of practices applicable to listed companies under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) as amended from time to time.

This policy has been approved and adopted by the Board of Directors of the Company as on 06th March, 2025.

2. **Purpose and Objectives:**

The objective of this Policy is to lay down the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend to its shareholders for a financial year. Dividend for the purpose of this Policy shall include Interim Dividend.

The Board of Directors, may at its discretion, deviate from the principles as listed in this policy, if beneficial for the Company and its investors.

3. **Types of Dividends:**

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. The forms of dividend as provided under the Companies Act, 2013 are provided as under:

➤ **Interim Dividend:**

The Board of Directors, at its discretion and as when deemed fit and appropriate, may declare Interim Dividend, in line with this policy, during



the financial year, as permitted and in compliance with the provision of the Companies Act, 2013. Interim Dividend is declared by the Board between two Annual General Meetings and before announcement of Annual Financial Results.

➤ **Final Dividend:**

Final Dividend is generally declared and recommended by the Board of Directors, once a year, at the time of approval of the Annual Audited Financial Statements. The Board of Directors, may declare Final Dividend during the financial year, in line with this policy, as permitted and in compliance with the provision of the Companies Act, 2013 and Rules made thereunder ("Companies Act, 2013"). The Final Dividend as declared and recommended by the Board shall be approved at the ensuing Annual General Meeting of the Company.

Apart from the above, the Board of Directors, at its discretion and as when deemed fit and appropriate, may additionally recommend special dividend, in special circumstances.

4. Parameters to be considered while declaring or recommending dividend:

The distribution of profits amongst the shareholders in the form of dividend will be subject to various internal/financial and external factors. The Board of Directors of the Company while declaring/recommending dividend to the shareholders, may consider following parameters:

Financial / Internal Parameters

- Profits earned during the relevant financial years including profits from any of the previous financial years and remaining undistributed, in accordance with the provisions of the Companies Act, 2013.
- Accumulated/Free Reserves including retained earnings remaining undistributed, in accordance with the provisions of the Companies Act, 2013.
- Opportunities for investing the funds of the Company for organic growth and to capture future growth in the industry, e.g. capital expenditure, business expansion plans, etc.
- Funding requirements for inorganic growth opportunities to be pursued by the Company



- Meeting Working Capital requirements of the businesses
- Meeting of funding requirements of subsidiaries / associates / joint ventures, mergers and acquisitions of the Company, if any
- Cost of raising funds from alternate sources and Fund requirement for repayment of outstanding borrowings including interest accrued thereon.
- Other internal factors such as business expansion plan, investment plans, contractual restrictions, or other strategic priorities as may be considered prudent by the Board
- Cash flow required for making provisions to meet existing / future contingencies and unforeseen liabilities. Corporate Actions such as buy-back of securities, etc.
- Past dividend declaration/payment trends of the Company.
- Such other factor as may be deemed relevant and appropriate by the Board of Directors of the Company

External Parameters

- Any significant developments in macro-economic / political environment affecting India or the geographies in which the Company operates its businesses, directly or through its subsidiaries.
- Restrictions and Covenants imposed by the existing / future lenders.
- Changes in Government, Taxation and Regulatory Policies including restrictions, if any, and the prevalent statutory requirements. Technological changes which necessitate significant investment in the businesses of the Company.
- Other factors beyond control of the Management like natural calamities, war, etc. affecting operations of the Company or its subsidiaries, etc.

5. Circumstances under which the shareholders of the Company may or may not expect dividend:

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and LODR Regulations.

The declaration and recommendation of dividend shall be subject to the discretion of the Board of Directors after considering the aforesaid factors as



mentioned hereinabove at Clause 4 of this Policy and taking balanced approach in the interest of the concerned stakeholders of the Company.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital due to circumstances or factors such as adverse market conditions, business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, regulatory / market exigencies, changing regulations, etc.

The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this Policy.

6. Utilisation of retained earnings:

The Company may utilize retained earnings in a manner that shall be beneficial to the interest of the Company and its stakeholders in the long run. Subject to the provisions of the Companies Act, 2013 and other applicable laws, retained earnings may be utilised as under:

- i. Meeting business expansion plans, capital expenditure and working capital requirements
- ii. For organic and/ or inorganic growth
- iii. Declaration of Dividend
- iv. Issue of fully paid-up Bonus shares.
- v. Repayment of Debt Obligation
- vi. Any other permissible purpose as the Board may consider relevant and appropriate and there should not have any restriction under law.

7. Provisions in regard to various classes of shares:

Parameters for various classes of shares: The Company has only one class of equity shareholders and therefore, the dividend declared will be distributed equally among all the Equity Shareholders, based on their shareholding as on the record date.

8. Disclosure:



The link of the Policy shall be available on the website of the company i.e., at www.jaganlamps.com and a web-link of the policy shall also be disclosed in the annual report of the Company

9. **Amendment and Conflict:**

The adequacy of this Policy shall be reviewed and reassessed periodically, based on the changes that may be brought about due to any regulatory amendments or otherwise.

In the event of any conflict between the provisions of this policy and of the Companies Act, 2013 and the LODR Regulations, or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules etc. including any amendments/modifications thereto shall prevail over this Policy.

10. **Disclaimer:**

The Policy shall not be considered as a commitment regarding the future dividends of the Company, but only provides a general guidance on the dividend policy of the Company. The Policy does not in any way restrict the right of the Board of Directors to use its discretion in the recommendation of the Dividend to be distributed in any financial year and the Board of Directors reserves the right to depart from the Policy as and when circumstances so warrant. Given the uncertainties, present and/or prospective investors are cautioned not to place undue reliance on any of the forward looking statements in the Policy.