

JAIPRAKASH POWER VENTURES LIMITED

Dividend Distribution Policy

1. PREAMBLE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) as amended vide Notification dated 8th July, 2016, introduced a new Regulation 43A, which require that the top 500 listed companies (by market capitalisation) shall formulate a Dividend Distribution Policy, which shall be disclosed in the annual report and on the corporate website of the Company.

Accordingly, the Board of Directors (“Board”) of Jaiprakash Power Ventures Limited (“Company”) has adopted this Dividend Distribution Policy to comply with these requirements. The Company currently has two classes of shares, viz. Equity and Preference Shares. This Policy is applicable only to Equity Shares of the Company and is subject to review if and when the Company issues different classes of shares.

2. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is committed to 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.

3. DIVIDEND

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

4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND

The Board will assess the Company’s financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declare Dividend in any financial year. The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 as amended from time to time. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

5. 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 Board may recommend special dividend as and when it deems fit.

6. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS

The following financial parameters and other internal and external factors would be considered for declaration of Dividend:

- Distributable surplus available as per the Companies Act, 2013 as amended from time to time 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

7. 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

8. 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.