

**DREDGING CORPORATION OF INDIA LIMITED**

**CIN NO.: L29222DL1976GOI008129**

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**DIVIDEND DISTRIBUTION POLICY (DDP)**

**REGISTERED OFFICE:**

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Delhi- 110092

**HEAD OFFICE:**

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Visakhapatnam- 530022



## **DIVIDEND DISTRIBUTION POLICY (DDP)**

### **1. PREAMBLE**

**1.1** The shares of DCIL are listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited. As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top thousand listed entities based on market capitalization (calculated as on March 31<sup>st</sup> of every year) need to formulate a dividend distribution policy which shall be disclosed in the Annual Report and their Websites.

**1.2** This policy lays down the general framework for considering and deciding the distribution of dividend to the Company's shareholders and/or retaining of earnings for sustained growth.

**1.3** This policy shall be known as DCIL Dividend Distribution Policy (The "Policy").

### **2. OBJECTIVE**

The Company aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach to dividend declaration.

### **3. POLICY FRAME WORK**

**3.1** The purpose of the policy is to specify in broad terms, the external and internal factors including financial parameters that will be considered while deciding on the distribution of dividend, the circumstances under which shareholders of the Company, may or may not expect dividend and the policy relating to retention and utilisation of earnings. This policy is not an alternative to the decision of the Board for recommending dividend every year based on all relevant factors namely, factors enumerated in this policy and also other additional factors that the Board may consider relevant in the overall interest of the Company. However, such additional factors if any resulting in amendment of the policy will be disclosed in the Annual Report as well as the website of the Company.

**3.2** The policy will be implemented by the Company keeping in view the provisions of SEBI (LODR) Regulations, the Companies Act 2013 and also taking into consideration the guidelines issued by SEBI, Ministry of



## **DIVIDEND DISTRIBUTION POLICY (DDP)**

Ports, Shipping and Waterways as also other guidelines to the extent applicable to the Company.

#### **4. EFFECTIVE DATE**

Dividend Distribution Policy shall be effective from the date of its approval by the Board of Directors.

#### **5. STATUTORY REQUIREMENTS**

The Board shall comply with the following statutory requirements while taking decision of a dividend pay-out during a particular year:-

**5.1** Companies Act, 2013 and rules applicable thereon including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

**5.2** Any other laws / Guidelines / regulation to the extent applicable.

#### **6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

**6.1** 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 Listing Regulations.

**6.2** Interim dividend will be based on profits of the current year as per unaudited results after providing for depreciation in accordance with law and Management estimates of profits for full financial year.

**6.3** Dividend distribution tax payable by the Company on dividend paid to shareholders will also be considered.

**6.4** The Company may not declare dividend or declare dividend at a lower rate in the event of the Company making losses or the profits are inadequate, inadequate availability of cash; and higher cost of raising funds from alternate sources.

#### **7. FINANCIAL PARAMETERS FOR DIVIDEND DISTRIBUTION**

**7.1** The Company has issued only one class of Shares, i.e. Equity Shares. Hence, the parameters disclosed hereunder apply to the same.



## **DIVIDEND DISTRIBUTION POLICY (DDP)**

**7.2** The Board while considering payment of dividend for a financial year may, inter-alia, considers the following factors:-

- Profit for the financial year as well as general reserves of the Company.
- Projections of future profits and cash flows.
- Borrowing Levels and the Capacity to borrow including repayment commitments.
- Present and Future Capital expenditure plans of the Company including organic/inorganic growth avenues.
- Applicable taxes including tax on dividend.
- Compliance with the provisions of the Companies Act, 2013 or any other statutory guidelines including guidelines issued by Government of India.
- Past dividend trend for the Company and the industry.
- State of economy and capital markets.
- Any other factor as may be deemed fit by the Board.

**7.3** The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.

**7.4** The company is committed to continuous growth and has plans requiring significant capital outlay. The retained earnings, after distribution of dividend, shall primarily be utilized towards this purpose.

**7.5** The Board may declare interim dividend(s) as and when considered fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board may additionally recommend special dividend in special circumstances.

## **8. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND**

The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholders wealth in future through appropriate retention of projects and its realisation for sustainable growth on the other.



## **DIVIDEND DISTRIBUTION POLICY (DDP)**

### **9. UTILISATION OF RETAINED EARNINGS**

The profits retained in business may be used for corporate actions in accordance with applicable laws and for investments towards growth of the business. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. The Board of Directors will aim to balance between all these needs.

### **10. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE**

The Company has issued only one class of shares i.e. equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share.

### **11. MODIFICATIONS AND AMENDMENTS IN THE POLICY**

The Board of Directors may review and may amend this policy as may be required from time to time in accordance with the provisions of the Companies Act, 2013, rules made therein, SEBI Listing Regulations 2015 and any further amendments and notifications as may be made effective in this regard. Any subsequent Notification, Circular, Guidelines or Amendments under Companies Act, 2013, revision to Listing Regulations and all other applicable laws, as may be issued from time-to-time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

### **12. DISCLOSURES**

All disclosures pertaining to Dividend Distribution policy required under the Companies Act and Listing Regulations shall be made accordingly including intimation to Stock Exchanges, hosting on website, disclosure in Annual Report.

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