

JK CEMENT LIMITED
DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website.

The Board shall consider distribution of profits in accordance with the business strategies, applicable provisions of the Companies Act, 2013 and Rules framed thereunder, the applicable SEBI Regulations, Tax Regulations and other applicable legislations, and the Articles of Association.

Accordingly the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company.

2. OBJECTIVE

The objective of this policy is to lay down the criteria to be considered by the Board of Directors (‘Board’) before recommending dividend to its shareholders for a financial year and to provide clarity to stakeholders on the profit distribution of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act 2013 & Rules framed therein and other applicable legal procedures.

3. DIVIDEND ELIGIBILITY

The Company currently has only one Class of Shares viz: Equity Shares.

4. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND.

While recommending Dividend, the Board shall take into account various Internal & External factors which shall inter-alia include :

Financial Criteria :

- Financial performance for the year for which dividend is recommended
- Accumulated Reserves.
- Earning stability.

- Any interim dividend paid.
- Future capital expenditure.
- Internal capital planning framework/policy.
- Cash flow position.
- Dividend pay-out : It is maintaining a payout of 20% to 25 % of Net Profit as dividend (including dividend tax)
- Tax implications if any, on distribution of dividends.
- Cost of raising funds from alternate sources of capital
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/associates
- Leverage profile and, under exceptional circumstances, the amount of contingent liabilities
- Such other factors and/or material events which the Board may consider.

Non-financial Factors :

- Shareholder expectations
- Economic environment
- Inorganic growth plans.
- Stage of business cycle.
- Legal and regulatory framework
- Past dividend trends.
- Reinvestment opportunities.

5. UTILISATION OF RETAINED EARNINGS

The retained earnings will be used *inter alia* for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

Utilise the retained earnings in a manner which is beneficial to the interest of the organisation and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the future business growth/expansion and strategic plans, general corporate purposes including contingencies or such other purpose the Board may deem fit from time to time in the interest of the organisation and its stakeholders.

6. DECLARATION OF DIVIDEND

The Board may declare/recommend Interim / Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act. Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

The Company has been declaring /paying dividend every year 2005-06 consistently. It is maintaining a payout of 20 % to 25% of Net profit as dividend (including dividend Tax)

However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

7. REVIEW & MODIFICATION OF DIVIDEND DISTRIBUTION POLICY.

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the Dividend Distribution Policy, it shall disclose such changes alongwith the rationale therefore.

8. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met, including any regulatory restriction placed on declaration of dividend or if the Board strongly believes the need to conserve capital for growth or other exigencies which will be spelt.

9. DISCLOSURE

This Policy (as amended from time to time) will be available on the Company's website www.jkcement.com and a web link thereto shall be provided in the Annual Report.

10. DISCLAIMER

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

11. CONFLICT IN POLICY

In the event of a conflict between this Policy and regulations, the regulations shall prevail.