



**JK CEMENT LIMITED**  
**DIVIDEND DISTRIBUTION POLICY**

**1. PREAMBLE**

The objective of this Policy is to provide a broad dividend distribution framework to all the shareholders of the Company.

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) require top 1000 listed companies (by market capitalization) to formulate a Dividend Distribution Policy (“Policy”) and disclose the same on its website and a web-link of the same shall be provided in its annual report.

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

Accordingly, the Board has approved the Policy and reviewed the policy on 5.2.22

Any term(s) and, or expression(s) not defined in this policy shall have the same meaning as defined in the applicable provisions of the Act, the Listing Regulations and other applicable laws and, or regulation.

**2. OBJECTIVE**

The objective of this Policy is to lay down the criteria to be considered by the Board before recommending dividend to its shareholders for a financial year and to provide clarity to shareholders on the profit distribution of the Company.

The Board shall refer to the guidelines laid out in this Policy while announcing any dividend in a financial year keeping in mind the provisions of the Act & 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 financial parameters and internal & external factors which shall *inter-alia* include:

*Financial parameters and Internal factors:*

- 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

- 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/external factors :*

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

## **5. UTILIZATION 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.

Utilization of the retained earnings shall be done in a manner which is beneficial to the interest of the organization 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 organization and its stakeholders.

## **6. DECLARATION OF DIVIDEND**

The Board may declare/recommend interim / final dividend out of the profits of the Company for the year arrived at in conformity with the Act. Only in exceptional circumstances, including but not limited to loss after tax in any particular financial year, 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 since 2005-06 consistently. It is maintaining a payout of 20 % to 25% of Net profit as dividend

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 on the basis of the parameters in addition to those prescribed in this policy or proposes to change prescribed parameters, then it shall disclose such changes alongwith the rationale thereof in its annual report and on its website.

## **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 to name a few viz.

- In the event of loss or inadequacy of profits.
- Pressure on cash flows on account of various factors such as higher working capital expenditure / tax demands and / or others.
- Impending / ongoing projects / acquisitions or investment in joint ventures requiring significant allocation of capital.
- Any of the above referred internal or external factors restraining the Company from considering dividend.

## **9. DISCLOSURE**

This Policy (as amended from time to time) will be available on the Company's website [www.jkcement.com](http://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. GENERAL**

This Policy will be subject to any revision / amendment in compliance with any regulatory requirements.

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

-----  
Review schedule

<b>Version No.</b>	<b>Review request by</b>	<b>Reason for review</b>	<b>Approval date</b>
<b>1.</b>	-	To align with the requirements of Regulation	5.2.22