

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE:

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company to strike balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force for accounting periods beginning from 1st April, 2021.

2. DEFINITIONS:

- 2.1 “Act” means The Companies Act, 2013 and the Rules made thereunder including any amendments or modifications thereof for the time being in force.
- 2.2 “Board” or “Board of Directors” means collective body of Directors of the Company.
- 2.3 “Company” means The India Cements Limited
- 2.4 “Dividend” includes interim dividend.
- 2.5 “Policy” means Dividend Distribution Policy.

3. PARAMETERS FOR DECLARATION OF DIVIDEND:

- 3.1 Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs.10 each, as and when the Board recommends or decide. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.
- 3.2 The Board may declare interim dividend/ as may be permitted by the Companies Act. Dividends may also be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act.
- 3.3 The Company has a record of consistent dividend payment that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.
- 3.4 The Company would endeavour to maintain a total dividend pay-out ratio upto 35% of the annual standalone Profits after Tax (PAT) of the Company, subject to the provisions of the applicable laws and approval of banks and financial list.
- 3.5 While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:
 - 3.5.1 Internal Factors:
 - 3.5.1.1 Profitable growth of the Company and specifically, profits earned during the financial year as compared with previous years and Internal budgets.
 - 3.5.1.2 Cash flow position of the Company,
 - 3.5.1.3 Accumulated reserves.
 - 3.5.1.4 Earnings stability.

- 3.5.1.5 Future cash requirements.
- 3.5.1.6 Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities.
- 3.5.1.7 Deployment of funds in short term marketable investments.
- 3.5.1.8 Long term investments.
- 3.5.1.9 Capital expenditure(s).
- 3.5.1.10 The ratio of debt to equity.

3.5.2 External Factors:

- 3.5.2.1 Business environment.
- 3.5.2.2 Economic environment.
- 3.5.2.3 Cost of external financing.
- 3.5.2.4 Applicable taxes including tax on dividend.
- 3.5.2.5 Industry outlook for the future years.
- 3.5.2.6 Inflation rate.
- 3.5.2.7 Changes in the Government policies, industry specific rulings & regulatory provisions.

3.6 The Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend.

3.7 The Board may additionally recommend special dividend in special circumstances.

4. **CIRCUMSTANCES UNDER WHICH DIVIDEND MAY NOT BE DECLARED:**
The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

5. **UTILIZATION OF RETAINED EARNINGS:**

The retained earnings of the Company may be used in any of the following ways:

- 5.1 Capital expenditure for working capital.
- 5.2 Investment in new business(es) and/or additional investment in existing business(es).
- 5.3 For implementation of new projects and/ or expansion of an existing projects.
- 5.4 Declaration of dividend.
- 5.5 General corporate purposes, including contingencies.
- 5.6 Any other permitted usage as per the Companies Act, 2013 or any applicable laws in this regard.

6. **GENERAL:**

- 6.1 Information on dividends paid in the last 10 years is provided in the Annual Report.
- 6.2 This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.