

JK LAKSHMI CEMENT LIMITED

DIVIDEND DISTRIBUTION POLICY

1 PREAMBLE

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.

Accordingly the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 3rd February, 2017.

2 OBJECTIVE

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders 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 made therein & other applicable legal procedures.

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

3 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 :

- (1) Profitability of the Company during the relevant year.
- (2) Past Dividend trends.
- (3) Leverage profile.
- (4) Future capital expenditure programmes including organic and inorganic growth opportunities.
- (5) Company’s Liquidity Position and Cash flow position.
- (6) Economic conditions and regulatory environment.
- (7) Any other relevant factors that the Board may deem fit to consider.

4 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.

5 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 Board shall endeavour to achieve a Dividend Pay-out Ratio in the range of 15% - 25% (gross of dividend distribution tax) of Distributable Profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

6 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 therefor.

7 DISCLOSURE

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

8 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.
