

THE INDIA CEMENTS LIMITED CHENNAI

DIVIDEND DISTRIBUTION POLICY

1.0 INTRODUCTION

The Dividend Distribution Policy is framed pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] and the same is effective from 27th May, 2017.

2.0 OBJECTIVE

The objective of this policy is to provide clarity to the shareholders on the external and internal factors, including the financial parameters that would be considered by the Board of Directors, while deciding on the recommendation / declaration of dividend on Equity Shares from time to time.

3.0 DEFINITIONS

- (a) "Act" means The Companies Act, 2013 and the Rules made thereunder including any amendments or modifications thereof for the time being in force.
- (b) "Board" or "Board of Directors" means collective body of Directors of the Company.
- (c) "Company" means The India Cements Limited
- (d) "Dividend" includes interim dividend.
- (e) "Paid-up share Capital" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares by whatever name called.
- (f) "Policy" means Dividend Distribution Policy.

4.0 PARAMETERS FOR DECLARATION OF DIVIDEND

The Company shall pay dividend in compliance with the provisions of Section 123 and other applicable provisions of the Act read with Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI LODR Regulations, 2015 and any other applicable Regulations.

5.0 FACTORS TO BE CONSIDERED WHEN DECLARING DIVIDEND

The decision to determine whether or not to declare dividend or to determine the quantum of dividend to be declared shall be considered by the Board of Directors based on various factors, both internal and external, including but not limited to the following:

a) FINANCIAL PARAMETERS & INTERNAL FACTORS

- ✓ Profits earned during the financial year and overall performance of the Company.
- ✓ Cash flow position of the Company.
- ✓ Accumulated Reserves.
- ✓ Leverage profile and Capital adequacy.
- ✓ Funds requirement for future capital expenditure, any organic / inorganic growth plans and reinvestment opportunities.
- ✓ Contingent Liabilities.
- ✓ Past Dividend trends.

b) EXTERNAL FACTORS

- ✓ Overall economic environment.
- ✓ Future outlook for the Company and the Industry.
- ✓ Legal / Regulatory Framework and Government Policy.
- ✓ Quantum of Dividend payout by peers in the Industry.
- ✓ Shareholders expectations.

6.0 CIRCUMSTANCES UNDER WHICH DIVIDEND MAY NOT BE DECLARED

- ✓ 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.

7.0 UTILIZATION OF RETAINED EARNINGS

The Company shall endeavor to utilize its retained earnings for its expansion plans, working capital requirements, debt repayments, modernization plans, investments and such other purposes as approved

by the Board of Directors, which shall be beneficial to the Company and its Stakeholders.

8.0 VARIOUS CLASSES OF SHARES

The Company has only one class of equity share. Each Equity Share has a paid up value of Rs.10/- each. In case of issue of new class of shares in future, the Policy will be reviewed accordingly.

9.0 GENERAL

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

In the event of any conflict between this Policy and the Regulations, the Regulations shall prevail.

This Policy (as amended from time to time) shall be disclosed on the Company's website: www.indiacements.co.in and in the Annual Report.

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