



ANJANI PORTLAND CEMENT LIMITED

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Dividend Distribution Policy

Approved by Board on June 21, 2021

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1. PREAMBLE

This policy is being adopted in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. Pursuant to regulation 43A, which requires the top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy (“the Policy”), which shall be disclosed in the annual reports and on the website.

Considering the provisions of the aforesaid Regulation 43A, the Board of Directors of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders. The Policy shall include the following parameters:

- (a) The circumstances under which the shareholders of the Company may or may not expect dividend;
- (b) The financial parameters that shall be considered while declaring dividend;
- (c) Internal and external factors shall be considered while declaring dividend;
- (d) Policy as to how the retained earnings shall be utilized; and
- (e) Parameters that shall be adopted with regard to various classes of shares.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

2. DEFINITIONS

- i. “Act” shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- ii. “Applicable Laws” shall mean the Companies Act, 2013 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- iii. “Board” shall mean the Board of Directors of the Company.
- iv. “Company” shall mean Anj nai Portland Cement Limited.
- v. “Dividend” includes any interim dividend.
- vi. “Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vii. “Policy” shall mean this dividend distribution policy.
- viii. “Stock Exchange” shall mean a recognized Stock Exchange on which the securities of the Company are listed.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation;
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, etc. which requires significant capital outflow;
- iii. Requirement of higher working capital for the purpose of business of the Company;
- iv. Proposal for buy-back of securities;
- v. In the event of loss or inadequacy of profit.
- vi. Such other matters as may be determined by the Board from time to time.

4. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon certain financial parameters and internal and external factors, including:

Financial parameters and Internal Factors:

- i. Financial performance of the Company for the year for which dividend is recommended;
- ii. Operating cash flow of the Company;
- iii. Working capital requirements;
- iv. Capital expenditure requirements;
- v. Past dividend payout ratio / trends;
- vi. Such other factors and/or material events which the Company's Board may consider.

External Factors:

- i. Statutory provisions and guidelines;
- ii. Cost of financing;
- iii. Any other factor that has a significant influence / impact on the Company's working / financial position of the Company.

5. UTILIZATION OF THE RETAINED EARNING

The Company would utilise the retained earnings in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth / expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

6. PARAMETERS ADOPTED IN RELATION TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of equity shares with equal voting rights. Accordingly, all members are entitled to receive the same amount of dividend per equity share. The Policy shall be suitably modified upon the issue of equity shares of a different class.

7. MANNER OF DIVIDEND PAYOUT

In case of final dividend:

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

In case of interim dividend:

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

8. POLICY REVIEW AND AMENDMENTS

The Board reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
