

BUNRPUR CEMENT LIMITED

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Burnpur Cement Ltd., (“the Company”) is required to formulate a Dividend Distribution Policy.

References to any statute, provision, clause or regulation include references to any subsequent changes to that statute, provision, clause or regulation or re-enactments thereof.

2. OBJECTIVES

- To lay down a broad framework for consideration of the Board of Directors of the Company (the Board) while declaring/ recommending Dividends to its shareholders and/ or retaining or plough back of its profits.
- To set 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.

3. DIVIDEND

- The Board may recommend Dividend while approving Final accounts, for any financial year (April to March), at its discretion, subject to the approval of the Members of the Company.
- The Dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- The Board may also declare Interim Dividends for any financial year, (April to March), at its discretion, to be paid to the Members of the Company. Before declaring Interim Dividend, the Board shall consider the quarterly or half yearly financial position of the Company for the payment of such Dividend.
- The payment of Dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the Dividend on the record date/book closure period as per the applicable law.
- 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.

4. FACTORS FOR DECLARATION OF DIVIDEND

Generally, the parameters and/or factors that may be considered by the Board before making any recommendations/declarations of the Dividend as the case may be, would include, but are not limited to the following :

- **Financial Parameters:**
 - a. Current financial year's profit after requisite provisions and transfers as may be required
 - b. Outstanding debts
 - d. Cash Flow after consideration of business needs
 - e. Any other financial parameters as deemed fit by the Board
- **Internal & External Factors:**
 - a. State of the Economy and the business environment
 - b. Trends in Capital Markets
 - c. Statutory Restrictions/Amendments
 - d. Taxation and Regulatory Concerns
 - e. Prospective Opportunities and Threats
 - f. Working Capital & Capital Expenditure requirements
 - g. Net Worth
 - h. Any other factors as deemed fit by the Board.

5. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

- The Equity Shareholders of the Company may expect Dividend if the Company is having surplus funds after providing all expenses, depreciation etc. and complying with all other statutory requirements of the Companies Act, 2013.
- The Dividend pay-out decision of the Company would depend upon the consideration of certain parameters and/or factors including but not limited to the parameters as well as internal and external factors as stated above.
- The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the longrun.
- The Shareholders may or may not expect a dividend in case of adverse market conditions and business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are funded through internal accruals, changing government regulations, etc. Even under such circumstances, the Board may at its own discretion, and subject to applicable rules, choose to recommend a dividend out of the Company's free reserves.

6. UTILISATION OF RETAINED EARNINGS

The decision of utilization of the retained earnings of the Company would be based on factors including but not limited to the following:

- Expansion/ modernisation/ acquisition plan
- Working Capital/Capital Expenditure requirements
- Expensive cost of debt
- Other such criteria as the Board may deem fit from time to time.

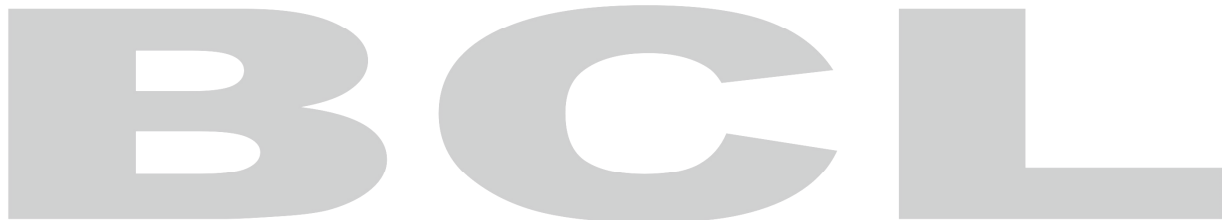
7. PARAMETERS FOR VARIOUS CLASSES OF SHARES

Presently, the Company has only one class of shares i.e. Equity Shares. In the future, if the Company issues multiple classes of shares, the parameters of the dividend distribution policy will be addressed appropriately.

8. REVIEW & DISCLOSURE

The Board of Directors may review this policy periodically, by taking into account the domestic and global economic conditions, Company's growth and investment plans and financial position, etc. and in accordance with any regulatory amendments.

This Policy is effective from 1st April, 2019 and will be reviewed as and when deemed necessary.

The logo for B C C L consists of the letters 'B', 'C', 'C', and 'L' in a bold, grey, sans-serif font. The letters are arranged horizontally and are flanked by two thick, light blue horizontal bars, one above and one below the text.

B C C L