



## DIVIDEND DISTRIBUTION POLICY

### 1. SCOPE AND PURPOSE

As per Regulation 43A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, top 500 listed entities (based on market capitalization as calculated as on 31<sup>st</sup> March of every financial year) are required to frame dividend distribution policy and disclose the same in their annual report and on their websites. Since the Company falls within the aforesaid class, it is required to formulate and disclose its Dividend Distribution Policy in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been adopted by the Board of Directors of the Company on 16<sup>th</sup> March 2017.

### 2. OBJECTIVE

The objective of this Policy is rewarding shareholders and retaining capital for growth. Ensuring fairness, sustainability and consistency in distributing profits to shareholders.

### 3. KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters before declaration or recommendation of Dividend to shareholders:

➤ **Financial Parameters / Internal Factors:**

- Profit after taxes earned during the year;
- Profit available for distribution;
- Operating Cash flow requirements of the Company;
- Earnings per Share;
- Liquidity position of the Company;
- Past Dividend Payout Ratio/trends;
- Outlook for the Company;
- Level of Debt;
- Alternate usage of cash;
- Future financial requirements including towards capex and provision for contingencies;
- Industry Risk;
- Expansion Plans.

➤ **External Factors:**

- General economic, environment and Market conditions;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

#### **4. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

As the Company runs several retail formats, the profits of the Company may vary from year to year depending on the market conditions due to which dividend can also vary from year to year. However, subject to profits & other financial parameters, as per applicable legal provisions, the Board shall endeavour to maintain a reasonable dividend payout to the extent possible. Certain circumstances that may require revisit of the dividend payout would include;

- Significant expansion project(s) requiring higher allocation of capital;
- Significantly higher working capital requirements impacting free cash flow;
- Any acquisitions or joint ventures requiring significant allocation of capital;
- Buy-back of securities; or
- Inadequacy of profits or whenever the Company has incurred losses.

#### **5. UTILIZATION OF RETAINED EARNINGS**

The Board may retain its earnings in order to make better use of the funds available and increase the value of the stakeholders in the long run after having due regard to the parameters laid down in this Policy and in exceptional circumstances, including but not limited to Loss after Tax in any particular financial year, the retained earnings may be utilized in accordance with the provisions of the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time.

#### **6. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

Presently, the Authorized Share Capital of the Company is divided into Equity Shares, Preference Shares and Unclassified Shares. At present, the issued and paid-up share capital of the Company comprises only of equity shares.

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

#### **7. PROCEDURE**

The Board meeting where the dividend declaration or recommendation is proposed will be intimated to the Stock Exchange(s) as per SEBI Listing Regulations. The discussion of the Board of Directors on the subject shall cover the rationale of the proposal and related considerations.

Pursuant to the provisions of applicable laws and this Policy, Interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy, in relation to Dividend declared by the Company.

## **8. DISCLOSURE**

The Company shall make appropriate disclosures as required under the SEBI Listing Regulations.

## **9. GENERAL**

This Policy has been adopted by the Board of Directors of the Company. Going forward, the Board would review and may amend the Policy, as and when required. The Company in such a case shall disclose the changes along with the rationale for the same in its Annual Report and on its website.

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Approved on 16 <sup>th</sup> March 2017 Reviewed annually
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