



Dividend Distribution Policy

Preamble

In terms of Regulation 43A of SEBI (Listing Obligation and Disclosure Requirements), 2015, McLeod Russel India Limited (the Company), is required to formulate a dividend distribution policy which would establish parameters of declaring dividend by the Company.

Objective

This Dividend Policy is formulated to establish the circumstances under which the shareholders of the Company may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings shall be utilized and parameters that shall be adopted with regard to the classes of shares, if any.

Parameters of Dividend Distribution Policy

a) The circumstances under which the shareholders of the Company may or may not expect dividend

The Board of the Company would consider the performance and results of the Company as at the end of the financial year and at its discretion may recommend dividend to the shareholders of the Company. Depending on the financial performance, future requirements, the Board at its discretion may also declare interim dividend pursuant to the applicable provisions of the Companies Act, 2013.

While distributing the profits of the Company to the shareholders the Board would ensure fairness, consistency and sustainability.

b) The financial parameters that shall be considered while recommending dividend

The following financial parameters would be considered while recommending dividend of the Company:-

- Profits of the Company for the relevant financial year
- Future outlook aligning with the internal and external circumstances persisting
- Cash Flow position of the Company considering the solvency ratios
- Opportunity to plough back profits, capital expenditure, investment needs and other opportunities to use the cash of the Company in the future
- Consideration towards contingencies and uncertain future events

c) Internal and external factors that shall be considered for recommendation of dividend

The following internal and external factors would be considered for recommendation of dividend:-

Internal Factors:-

- The growth in the profits would be considered in comparison to the earlier years and also the budgets of the Company.
- Present and future cash flow requirements considering various expansion plans of the Company.
- Reserves of the Company
- Revenues of the Company and growth in future
- Position of financial liabilities including contingent liabilities
- Short and Long term investments of the Company
- Capital expenditure
- Liquidity and solvency ratios
- Any other important parameter which the Board may deem fit.

External Factors:

- Operational cycles and business environment of the Company
- Economic Scenario in the national and international context
- Cost of Debt and other fund raising options prevailing in the market
- Rates of taxation and inflation rates
- Outlook of the industry prevailing presently as well as in the future
- Market expectation
- Government policy reforms whether industry specific or otherwise

d) Policy as to how the retained earnings shall be utilized;

The retained earnings of the Company would be utilised for any one or more of the following purpose:-

- Capital Expenditure of the Company
- Working capital of the Company
- Growth and Expansion whether, organic or inorganic or otherwise
- Acquisitions and investments
- Further Investment in existing business
- Dividend Payment
- Buy Back
- Capital Reduction or any other Capital restructuring
- Other Capitalisation Purposes
- General Corporate Purpose
- Any other purpose as the Board may deem fit.

Amendments & Disclosure

In the event the Board proposes not to recommend dividends, the reason thereof would be disclosed in the Annual Report of the Company.

The Policy would be disclosed in the Annual Report of the Company as well as on the website of the Company.

The Board reserves the right to review this policy at its discretion and the amendments or revisions in the policy would be disclosed in the Annual Report as well as on the website of the Company.

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Note: The above Policy was adopted by the Board of Directors at its meeting held on 30th March, 2017.