

DIVIDEND DISTRIBUTION POLICY

(As reviewed and adopted in the meeting of Board of Directors held on 01.09.2015, subject to up-dation to comply with SEBI Circulars from time to time.)

OBJECTIVES AND SCOPE

The Securities and Exchange Board of India (“SEBI”) vide its Notification dated July 08, 2016 amended the Listing Regulations by inserting Regulation 43A, requiring top five hundred listed companies based on their market capitalization, calculated as on the 31st day of March of every year to have a Dividend Distribution Policy in place. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking the decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

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

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of this Policy shall be regarded as deviation. Any such deviation, in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale shall be disclosed in the Annual Report by the Board of Directors and on the Company website.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

The Policy has been approved by the Board of Directors.

PARAMETERS

This Policy lays down the parameters to be considered by the Board for declaration of dividend from time to time which are as follows:

- The circumstances under which the shareholders of the Company may or may not expect dividend;
- Internal and external factors that shall be considered for declaration of dividend;
- Dividend Payout

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board may declare interim dividend(s) during the year. Board may also recommend final dividend for the approval of the shareholders at the annual general meeting.

Shareholders may not expect dividend, in the event of the following:

- Inadequacy or absence of profits in any year
- Due to any of the Internal / External factors mentioned hereunder.

INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

While determining the nature and quantum of the dividend, the Board would take into account the following factors:

Internal Factors:

- Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - Previous years and
 - Internal budgets,
- Cash flow position of the Company,
- Accumulated reserves
- Earnings stability
- Future cash requirements for organic growth/expansion and/or for inorganic growth,
- Funds required towards working capital, servicing of outstanding loans and capital expenditure;
- Brand acquisitions,
- Funds required for merger/acquisitions and towards execution of the Company's strategy;
- Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
- Deployment of funds in short term marketable investments,
- Long term investments,
- Capital expenditure(s)
- The ratio of debt to equity (at net debt and gross debt level).
- Minimum cash required for contingencies or unforeseen events;
- Any other significant developments that require cash investments

External Factors:

- Business cycles, Competition or client related risks
- State of the domestic and global economy, capital market conditions and dividend policy of competitors;
- Changes in the Government policies, industry specific rulings & regulatory provisions.
- Industry outlook for the future years
- Inflation rate and Cost of external financing
- Applicable taxes including tax on dividend
- Client related risks
- Any other external matter or risk

DIVIDEND PAYOUT

After taking into account of all the above factors, the Board may consider a payout ratio of up to 35% of the annual standalone profits after tax of the Company.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

CHANGE IN LAW

In case of any subsequent changes in the provisions of the Act or further rules and regulations / guidelines from the Securities and Exchange Board of India including the Listing Regulations or any other regulations which makes any of the provisions of this Policy inconsistent, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in the Policy would be modified accordingly in due course to make it consistent with applicable laws.