



# Dividend Distribution Policy

## **Introduction**

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy for the Company at its meeting held on 14<sup>th</sup> February, 2017.

The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

## **Target Dividend Payout**

Dividend will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains/losses, will not be considered for the purpose of declaration of dividend.

The Board will endeavor to achieve a dividend payout ratio (including dividend distribution tax) in the range of 15% to 25% of the Standalone Profit after Tax, net of dividend payout to preference shareholders, if any. Subject to the dividend payout range mentioned above, the Board will strive to pass on the dividend received from material Subsidiaries, Joint Ventures and Associates (as defined in the Companies Act, 2013).

## **Factors to be Considered for Dividend Payout**

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics



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- Overall economic / regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

## **General**

Retained earnings will be used for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

If the Board decides to deviate from this policy, the rationale for the same will be suitably disclosed. This policy would be subject to revision / amendment on a periodic basis, as may be necessary. This policy (as amended from time to time) will be available on the company's website ([www.adityabirlanuvo.com](http://www.adityabirlanuvo.com)) and in the Company's annual report.

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### **Aditya Birla Nuvo Limited**

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