

# **MRF LIMITED**

## **Dividend Distribution Policy**

**[Pursuant to Regulation 43A of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its Website.

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

A decision of the Board of Directors to recommend / declare dividend would be based on the financial parameters and the internal and external factors listed out below:

- Current year's profits after tax of the Company;
- Operating cash flows and treasury position keeping in view total debt to equity ratio;
- Accumulated reserves;
- Future capital expenditure/ expansion, strategic investments and working capital requirements;
- Providing for unforeseen events and contingencies with financial implications;
- Overall macro-economic scenario / regulatory environment;
- Future business prospects and industry outlook;
- Past dividend trends;
- Any other financial parameter or factor as considered relevant or appropriate by the Board of Directors.

Based on the decision of the Board of Directors, from time to time, the retained earnings will be utilised to meet the Company's long term financial requirements (including capital expenditure, debt service obligations, other liabilities etc.), improve financial ratios, declaration of dividend, issue of bonus shares, buy-back of shares and any other purpose permitted by the Companies Act 2013.

Based on the financial parameters and other factors mentioned above, the shareholders may / may not expect dividend for any year.

The Board of Directors may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

Presently, the Authorised Capital of the Company comprises of only one class of shares. In the event of the Company issuing any other class of shares, this Policy would be suitably amended.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividend, as in force from time to time.

This policy has been approved by the Board of Directors on 3<sup>rd</sup> February, 2017 and would be subject to review/amendment, as may be considered necessary, in accordance with applicable law.

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