



Dividend Distribution Policy

1. PREFACE

Securities and Exchange Board of India (SEBI), vide its Notification dated July 8, 2016 has promulgated SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 by inserting Regulation 43A.

Regulation 43A has mandated top five hundred listed entities based on market capitalization to frame and adopt a Dividend Distribution Policy, which shall be disclosed in their respective Annual Reports and websites. Accordingly, this Dividend Distribution Policy is adopted by the Company.

2. OBJECTIVE

The Board endeavours to maintain fairness, consistency and sustainability while distributing profits and to strike a balance between the quantum of dividend paid and amount of profits retained in the business.

The main objective of this Policy is to provide a mechanism for determining the amount of dividend pay-out by the Company after retention of sufficient funds for the future business needs.

3. DEFINITION

- A. **“Board”** means Board of Directors of the Company.
- B. **“Company”** means Raymond Limited.
- C. **“Dividend”** includes interim dividend.
- D. **“Member”** means as defined under Section 2(55) of the Companies Act, 2013.
- E. **“Policy”** means the Raymond- Dividend Distribution Policy.
- F. **“Regulations”** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

4. INTERPRETATION

Words and expressions used and not defined in this Policy but defined in the Regulations, or the Companies Act, 2013 and Rules, Notifications and Circulars as amended from time to time thereunder shall have the same meanings respectively assigned to them therein.

5. EFFECTIVE DATE

This Policy shall be effective from March 1, 2017.

6. KEY PARAMETERS TO BE CONSIDERED FOR DECLARING DIVIDEND

A. Circumstances under which the shareholders may or may not expect dividend:

The Company has been consistently paying dividends to its shareholders and it can be reasonably expected to continue declaring dividends in future. The shareholders may expect dividend for any financial year if there is surplus after taking into account the adjustments for previous years' losses if any, depreciation and all other statutory adjustments as mandated by various legal statutes.

The Board may not recommend dividend in the event of insufficient profits after adjustments as required by statutory provisions and / or if it determines, considering the circumstances, that funds of the company need to be conserved for business needs.

B. Parameters:

The Company stands committed to deliver sustainable value to all its stakeholders and will strive to distribute an optional and appropriate level of the profits earned by it in its business in the form of dividend. Taking into consideration various factors, the Company will endeavour to maintain a dividend pay-out of up to 30 percent of profit after tax (PAT) on the standalone financials.

Some of the factors which would be considered whilst considering the quantum of dividend are

- Current year profits and business requirements for future needs like growth, capital expenditure, working capital etc;
- Past dividend declaration pattern;
- Operating cash flows and treasury needs/requirements;
- Debt obligations;
- Government policies;
- General economic environment;
- Industry outlook;
- Contingencies which could have financial repercussions; and
- Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement duly entered into by the Company.

The Board may recommend special dividend on occasions of significance. The Board also has the discretion to declare/recommend dividends out the profits of the Company for any previous year, subject to complying with legal requirements.

In case the Board proposes not to declare dividend, the rationale thereof shall be disclosed to the members in the Annual Report of the Company.

C. Parameters adopted with regard to various classes of shares:

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividend. Presently the Company has one class of equity shares hence all the members of the Company are entitled to receive the same amount of dividend per share.

The Policy shall be suitably modified at the time of issue of any new class of shares.

7. DISCLOSURE

This Policy shall be disclosed on the website of the Company at <http://www.raymond.in/index.asp> and Annual Report of the Company.

8. AMENDMENTS

The Board may, at its discretion, amend the policy to take into account circumstances prevailing at that point of time and legal requirements. Such amendments shall be suitably disclosed.

In case of any inconsistency between the Policy and the law for time being in force, the law shall prevail over the Policy.
