

DIVIDEND DISTRIBUTION POLICY

The Board of Directors (“Board”) of UPL Limited (“the Company”) at its meeting held on 29th July 2016 has adopted the Dividend Distribution Policy (“Policy”) of the Company as required in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires top Five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy. The Policy shall become effective from the date of its adoption by the Board, i.e. 29th July 2016.

The Board has approved the policy which aspires for fairness, consistency and sustainability in distributing profits to the members of the Company. A fair return to the members and enhancement in wealth of members will be some of the prime concerns while implementing the Policy.

The factors that will be considered while arriving at the quantum of dividend will be:

Internal Factors:

- a) Current year profits and future outlook in line with the development of internal and external environment;
- b) Operating cash flows required to meet various business contingencies;
- c) Working Capital requirements;
- d) Capital Expenditure requirements;
- e) Inorganic growth opportunities like new acquisitions or new business;
- f) Outstanding borrowings;
- g) Past Dividend Trends;
- h) Expectations of shareholders.

External factors:

- a) Prevailing legal requirements, regulatory conditions, etc. and other statutory requirements, including tax laws;
- b) Comparative dividend payment by other industry players;
- c) Policy decisions of the government that may affect the business of the Company;

The circumstances under which the shareholders may or may not expect dividend are:

- a) Cash flow is adversely affected due to working capital requirements;
- b) Significantly high capital expenditure or fresh acquisition is anticipated, requiring more cash for the same;

- c) Buy-back of securities, which will affect the cash flow;
- d) The Company's profits are inadequate or it has incurred losses.

The Company may declare dividend out of profits of the Company for the year or earlier year or out of free reserves available with the Company.

Manner of dividend payment will be as under:

- a) The Company shall first declare dividend on outstanding preference shares, if any, at the rate fixed at the time of issue of such shares.
- b) The Board will recommend dividend on equity shares and the same shall be subject to approval by the members at the annual general meeting of the Company.
- c) The Board may declare interim dividend (s) as and when they consider it fit considering the financial position of the Company that allows the payment of such dividend.

The Company shall make adequate disclosures as required under the SEBI regulations.

This policy will be subject to revision/amendment in accordance with the guidelines issued by Ministry of Corporate Affairs, SEBI or any other regulatory body.

The Company may alter or modify any of the provisions of the policy. Such amended policy shall be placed before the Board for noting and necessary ratification and will come into effect immediately after such changes.