



Religare Enterprises Limited

**Dividend Policy
(updated on October 26, 2016)**

DIVIDEND POLICY

This policy will be applicable to Religare Enterprises Ltd. (**“Religare”**). This policy is for declaration and payment of dividend to Shareholders of Religare.

Declaration & Payment of Dividend

Dividend for any financial year shall be declared or paid by the Company as per the provisions of the Companies Act, 2013 and rules made thereunder and any other laws, rules and regulations prescribed in this regard.

The Board should avoid the practice of payment of dividend from borrowings except for meeting timing difference between payments of dividend and generating positive cash flows provided there is sufficient profit generated. Wide variation in rate of dividend should be avoided.

Factors to be considered before declaration of Dividend

Religare shall strive to distribute up to 30% of the recurring standalone or consolidated Profit After Tax (PAT), whichever is lower, as dividend, and accordingly, in years where the Company's profit after tax is positive or is expected to be positive after considering the full year's expenses, there will be a high likelihood of declaration and payment of dividend. Furthermore, in years where the Company generates an exceptional/ windfall profit, the Company may declare a special dividend (in addition to the regular dividend) which will result in distribution of such proportion of the exceptional/ windfall profit as the Board of Directors may deem fit.

The amounts paid as dividends in the past will not be necessarily indicative of the dividend amounts, if any, that may be payable in future. The form, frequency and amount of future dividends shall be at the discretion of our Board and subject to the approval of our shareholders and will depend on various factors including but not limited to:

1. Revenues
2. Cash flows
3. Financial condition (including capital position),
4. Capital requirements,
5. Profit earned during the financial year
6. Liquidity
7. Future expansion plans
8. Retained earnings v/s expected return from the business
9. Adequate cash utilization opportunities

Timing of Dividend

1. Interim dividends as and when decided by Board will be declared after considering the interim financial statements for the period for which interim dividends are declared. Interim financial statements will be prepared considering the profit, depreciation for the full year, taxation including the deferred tax and any anticipated losses for the year.
2. Final dividends as and when declared at the AGM of the shareholders will be based on the recommendations by Board based on review of audited financial statements of the year.