

MINDA CORPORATION LIMITED

(NSE: MINDACORP; BSE: 538962)

Dividend Distribution Policy

Minda Corporation Limited

Dividend Distribution Policy

Objective:

To follow '**CONSISTENT GROWTH DIVIDEND POLICY**' to distribute appropriate level of the Profit with the Shareholders in the form of Dividend.

Quantum and Methodology:

1. Board to consider profits after tax (PAT) on standalone basis. The board is envisaged to increase the profit available for appropriation by bringing subsidiaries, associates and joint ventures under the ambit of dividend policy in the phase manner.
2. Dividend payout to the Company from the respective subsidiaries, associates and joint ventures will be based on free cash flows available with the respective companies.
3. The free cash flow will uniformly be worked out by all the Companies after considering the cash accrual, working capital requirement, debt repayments and capital expenditure.
4. The dividend received by a Company from its subsidiaries will be passed on to its holding Company by way of dividend on back to back basis.
5. The Company would endeavour to improve the total dividend payout ratio. The target dividend distribution would be as under:-
 - 5.1 MCL Standalone - 25% of the profit available for appropriation in a phase manner.
 - 5.2 Subsidiary companies, JV, Associates – 50% of the profits available for appropriation in a phase manner.
6. The target distribution will be subject to maintaining maximum Debt / Equity ratio 1 : 1 and maximum utilisation of 50% of free cash flow.
7. Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

Interim Dividend Policy:

1. The Company also adopts an 'interim dividend policy' as a means to increase opportunities for distributing profits back to its shareholders.
2. The Board will consider the interim dividend on the basis of financial results of 9 (Nine) months ending December and paid in the last quarter.
3. After taking into consideration projected profitability for the year, the Board may declare the interim dividend up to 50% of the total proposed dividend.

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