

Bayer CropScience Limited

Dividend Distribution Policy

Background and applicability

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI via its notification dated July 8, 2016 introduced a new regulation 43A which prescribes that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The Company currently has only one class of shares, i.e. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

Objective

The objective of this Policy is to ensure the right balance between the quantum of dividend paid and amount of profits retained in the business. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board follows a dynamic dividend policy, considering the immediate and long term needs of the business. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of dividend from time to time.

Considerations

The Company would, *inter alia*, consider the following financial parameters and / or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Current financial year's net profits in accordance with law and after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
- Track record of dividends distributed by the Company.
- Dividend pay-out ratios of companies in the same industry.
- Liquidity position and future cash flows needs.
- Fund requirements to finance the working capital needs of the business.
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, etc.
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company.
- Providing for unforeseen events and contingencies with financial implications.
- Macroeconomic and business conditions in general.
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

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

In case the Board proposes not to distribute the profit, the reasons thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

Retained Earnings

Retained Earnings may be used for corporate actions in accordance with applicable law and for investments towards growth of the business.

Review & Amendment

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

The Dividend Distribution Policy is effective from March 03, 2017.