





Background of Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015 ("**Listing Regulations**"), Top 1000 listed companies (based on market capitalization of every financial year) are required to formulate a Dividend Distribution Policy ("**Policy**") and to disclose the web-link of the same in their Annual Report.



Dividend Distribution Policy of Aarti Industries Limited

Considering the market capitalization, we had ("**the Company**" / "**AIL**") framed this Policy in Aug 2016. Further, the Policy is disclosed on the website of the Company and a web-link of the same is provided in our Annual Reports.



Proposed Changes in the Policy

Declaration of dividend is one of the key financial decisions of the Company and forms a part of the overall strategy for efficient allocation of Capital. Further, considering the Company's financial position, business strategy, shareholders expectation and country's tax regime, certain changes are proposed in the Policy in Part 4 b) ix) i.e. Parameters for Distribution of Dividend – the financial parameters that shall be considered while declaring dividend:

CURRENT:

Part 4 b) ix: Considering various financial parameters, the Company may elect to, generally, declare dividends (including dividend tax) considering the payouts of about **15% to 30%** of the Net Profits after Tax.

CURRENT:

Part 4 b) ix: Considering various financial parameters, the Company may elect to, generally, declare dividends (including dividend tax) considering the payouts of about **5% to 30%** of the Net Profits after Tax.

Except for the above, the other provisions of the Policy will remain unchanged.



Authority to review / amend any changes in the Policy

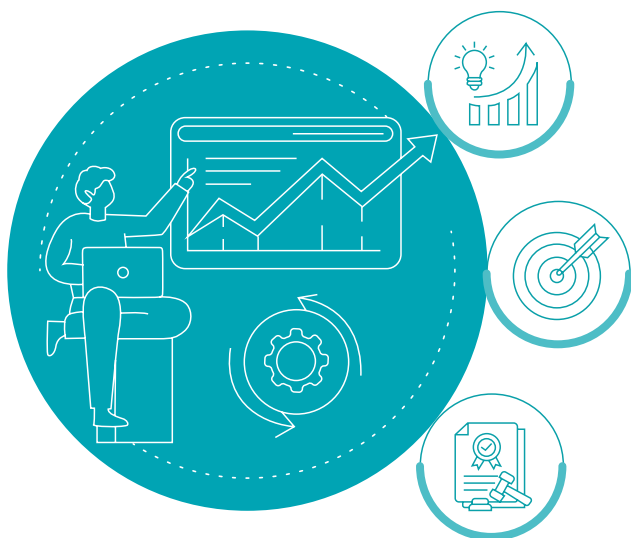
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Resolution

"RESOLVED THAT, in supersession of the earlier resolution passed by the Board of Directors at its Meeting held on August 10, 2016 and pursuant to Regulation 43A of SEBI (LODR) Regulations, 2015, approval of the Board be and is hereby accorded for the proposed revision in the existing Dividend Distribution Policy as placed before this meeting.

RESOLVED FURTHER THAT the KMPs be and are hereby authorized to do all the necessary activities as may be required to bring aforesaid changes in effect."





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