SHOPPERS STOP

Dividend Distribution Policy

of

SHOPPERS STOP LIMITED

TABLE OF CONTENTS

Version	1.0
Effective Date	03.11.2016
Board Approval	03.11.2016

DIVIDEND DISTRIBUTION POLICY

1. Introduction

The Securities and Exchange Board of India on July 8, 2016 has inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 500 listed entities (based on market capitalization of every financial year), to formulate a Dividend Distribution Policy.

Shoppers Stop Ltd; being one of the top 500 listed entities as per market capitalization as on the last day of immediately preceding financial year, has framed this Dividend Distribution Policy in compliance with this regulation.

2. Objective

The objective of this Policy is to ensure optimum balance between dividend paid to shareholders and profits retained by the Company. The Policy lays down parameters to be considered by the Company for declaration of Dividend. The Company's commitment to declare dividends is a part of its commitment towards enhancing shareholder value.

3. Definitions

- "**Act**" means the Companies Act 2013 and rules made thereunder and as amended from time to time.
- "**Board**" means Board of Directors of the Company
- "**Company**" means Shoppers Stop Limited
- **"Dividend"** means Dividend as defined under the Companies Act, 2013.
- "**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended form time to time.
- "**Policy**" means this Dividend Distribution Policy.

4. Parameters for declaration of dividend

The Board of Directors of the Company would consider the following financial parameters and internal & external factors, before declaring or recommending dividend to shareholders.

Financial Parameters / Internal factors

i. Profit earned for the financial year;
ii. Cash flow from operations;
iii. Working capital & capital expenditure requirements;
iv. Liquidity & debt position;
v. Operating performance;
vi. Dividend trends of preceding years;
vii. Provision for contingencies.

<u>External factors</u>

i. Taxation and other regulatory requirements;
ii. Macroeconomic conditions.

Taking into consideration these factors, the Board will endeavor to maintain a dividend payout in the range of 15% to 25% on profit after tax on standalone basis. Further, the Board may amend the payout range, whenever considered appropriate by it.

5. Circumstances under which the shareholders of the Company may or may not expect dividend

Under the following circumstances, the shareholders of the Company may not expect dividend:

i. In the event of inadequacy of profits or of loss;
ii. Non-availability of sufficient cash flow to meet the capital requirements;
iii. Expansion plans, necessitating greater provision of free cash;
iv. Any acquisition or joint venture, requiring allocation of capital.

6. Utilisation of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds for investing in the growth of the Company and increase shareholders value in the long run.

7. Parameters to be adopted with regard to various classes of shares

Presently, the Company has issued only one class of equity shares with equal voting rights. Accordingly, all the shareholders of the Company are entitled to receive the same amount of dividend per share.

8. Dissemination of Policy

The Company shall make appropriate disclosure of this policy as provided under Listing Regulations.

9. Review and amendment

The Board may monitor, review and amend the Policy from time to time as also whenever necessitated due to amendments in any Act, Rules or applicable Regulations.