

DIVIDEND DISTRIBUTION POLICY GOKALDAS EXPORTS LIMITED

I. Background

SEBI vide notification No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021, amended Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

The Board of Directors of Gokaldas Exports Limited has, at its meeting held on **April 29, 2022**, approved and adopted this policy.

II. Objective

The Objective of this Policy is to strike right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

III. Definitions

Unless the context otherwise requires:

- (a) **'Act'** means the Companies Act, 2013 and shall include any amendments made thereto.
- (b) **'Rules'** means the Companies (Declaration and Payment of Dividend) Rules, 2014.
- (c) **'Dividend'** has been defined under Section 2(35) of Act. The term "Dividend" includes any interim dividend.
- (d) **'Regulations'** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (e) **'Company or GEX'** means Gokaldas Exports Limited.
- (f) **'Board'** means Board of Directors of Gokaldas Exports Limited and includes any Committee thereof constituted or to be constituted.
- (g) **'Policy'** means Policy on Dividend Distribution Policy of GEX.

IV. Types of Dividends

(a) Final Dividend

Dividend is said to be a final dividend if it is declared at the Annual General Meeting of the Company. Final dividend once declared becomes a debt enforceable against the Company. Final Dividend can be declared only if it is recommended by the Board of Directors of the Company.

(b) Interim Dividend

Dividend is said to be an interim dividend, if it is declared by the Board of Directors between two annual general meetings of the company. However, all the provisions relating to the payment of dividend shall be applicable on the declaration of interim dividend also.

V. Circumstances under which the shareholder may or may not expect Dividend

The Board of Directors of the Company is committed to deliver sustainable value to its stakeholders including the shareholders. The company will strive to distribute an

appropriate level of the profits earned by it in its business, to the shareholders in the form of an Interim dividend or final dividend.

However, under the following circumstances the shareholder may not expect dividend:

- (a) Higher capital investments on account of expansion of business, etc. by the Company.
- (b) In the event of loss or inadequacy of profit or Cash Flow.
- (c) Significantly unexpected higher working capital requirements adversely impacting free cash flow.
- (d) Decisions to undertake any acquisition, amalgamation, merger, takeover, etc. requiring significant capital outflow.
- (e) Any changes in the regulatory frameworks.
- (f) De-growth in the overall business.
- (g) Any other extra-ordinary circumstances.

VI. Key parameters to be considered while recommending/ declaring dividend

I. Financial Parameters

- (a) Profit After Tax considering write-off of accumulated losses, exceptional and extraordinary items, if any
- (b) Accumulated reserves
- (c) Working capital requirements
- (d) Cash Flow and treasury position keeping in view the total debt to equity ratio
- (e) Earnings per share
- (f) Dividend Payout during the previous years
- (g) Capital Expenditure
- (h) Contingent Liabilities

II. Internal and External Factors

(a) Internal Factors

1. Business Forecast (near to medium term)
2. Upcoming Projects
3. Expansion Plans
4. Technology Upgradation
5. Merger and acquisitions including acquisition of brands/ business
6. Contingency Funds
7. Liquidity Positions
8. Accumulated Reserves
9. Capital Expenditure requirements of the Company
10. Investment in Technology
11. Earning stability
12. Outstanding borrowings

(b) External Factors

1. Economy in which company is operating
2. Statutory requirements, legal requirements, regulatory conditions or restrictions laid down in applicable laws
3. Capital Markets
4. Investor expectations
5. Prevailing taxation structure including any amendments expected thereof.
6. Prevailing macro-economic environment

7. Industry's average Dividend payout and shareholder's expectations
8. Such other factors as may be considered appropriate by the Board of Directors from time to time.

VII. Utilization of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this policy, Profits retained in the business will be invested in the business / operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure/ acquisition(s) and for all other corporate purposes.

VIII. Parameters that shall be adopted with regard to various classes of shares

The Company has only one class of shares viz., Equity Shares of Face Value of Rs. 5 each.

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of Dividend per share.

IX. Amendments

This Policy will be reviewed and modified periodically by the Board, as it may deem fit.