



# Dividend Distribution Policy of Godrej Industries Limited

## 1. Background and applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors (“**Board**”) of Godrej Industries Limited (“**Company**”) has adopted this Dividend Distribution Policy to comply with these requirements.

Presently, the Authorised Capital of the Company is Rs.180,00,00,000/- (Rupees one Hundred Eighty Crore) divided into 80,00,00,000 (Eighty Crore) Equity Shares of Re. 1/- (Rupee One ) each and 10,00,00,000 (Ten Crore) Unclassified Shares of Rs. 10/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares. The policy is subject to review if and when the Company issues different classes of shares.

## 2. Dividend distribution philosophy

The Company is deeply committed in value creation for all its stakeholders. The focus will continue to be on long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

## 3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

## 4. Circumstances under which shareholders can expect Dividend

The Board will assess the Company’s financial requirements, including present and future investment opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 (the Act). If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.



## **5. Interim and Final Dividend**

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

## **6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:**

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure and Investment requirements
- Cost and availability of alternative sources of financing
- Stipulations/ Covenants of loan agreements
- Macroeconomic and business conditions in general
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

## **7. Utilisation of retained earnings**

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Payment of Dividend in future years
- Issue of Bonus shares/ Buyback etc.
- Any other permissible purpose

## **8. Modification of the Policy**

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

## **9. Disclaimer**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.