

**GUJARAT AMBUJA EXPORTS LIMITED
DIVIDEND DISTRIBUTION POLICY**

This Policy will regulate the process of dividend declaration and its pay-out by Gujarat Ambuja Exports Limited (hereinafter referred to as “the Company”) in accordance with the provisions of Companies Act 2013, read with the applicable Rules framed thereunder, as may be in force for the time being (hereinafter referred to as “the Act”) and as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof (hereinafter referred to as “the Regulations”).

1. Preamble

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

2. Category of Dividends

The Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the right to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors also have the right to declare interim dividend during the financial year, as and when they consider it fit.

2.1. Final Dividend:

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the right to recommend the payment of final dividend to the shareholders in a general meeting or treat the interim dividend declared as final dividend.

Process for approval of payment of Final Dividend:

- Board may recommend quantum of final dividend payable to shareholders in its meeting in line with this policy;
- Quantum of the profits shall be arrived at as per the audited financial statements;
- Shareholders shall approve the same in Annual General Meeting;
- Final dividend shall be paid once in a financial year.

2.2. Interim Dividend:

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board shall consider declaring an interim dividend after finalization of quarterly / half yearly unaudited results. This would be in order to supplement the annual dividend or in exceptional circumstances. The Board also shall review and take inputs from Management and decide that the interim dividend declared and paid shall be the final dividend for the Financial Year.

Process for approval of Payment of Interim Dividend:

- Board may declare Interim Dividend at its discretion in line with this Policy;
- Interim dividend may be declared based on profits arrived at as per quarterly / half- yearly financial accounts including exceptional items;
- May be declared more than once in a financial year.

3. Circumstances under which the shareholders may or may not expect dividend

The Board of Directors of the Company may not declare /recommend dividend for a particular period if it is of the view that it would be prudent to conserve funds to the best interest of the Company in order to make wealth maximization for their shareholders through the ongoing / future business expansion or other factors which may be considered appropriate by the Board from time to time.

4. Parameters to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence the Board shall decide the same as an optimal policy in this regard.

4.1. Financial Parameter

1. Subject to the provisions of the Act, Dividend shall be declared or paid only out of-
 - i) Current financial year's profit:
 - a) after providing for depreciation in accordance with applicable law;
 - b) after transferring to reserves such amount as may be prescribed by Act or as may be otherwise considered appropriate by the Board at its discretion.

- ii) The profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with applicable law and;
 - b) remaining undistributed; or
 - iii) out of i) & ii) both.
2. However, while computing profits, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded;
3. In case of inadequacy or absence of profits in any financial year, the Company may declare dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the Free Reserves, subject to fulfillment of preconditions provided in the Act.
4. The Company may declare / pay dividend from its reserves other than free reserves, subject to fulfillment of preconditions provided in the Act.
5. Interim Dividend
- i) Subject to the provisions of the Act, Interim Dividend shall be declared or paid only out of –
 - a) surplus in the profit and loss account; or
 - b) profits of the financial year for which such interim dividend is sought to be declared; or
 - c) profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend;
 - ii) However, in case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

4.2. Other Factors

Various other factors viz. external and internal factors, which, inter alia, includes following, shall also be considered while declaring the dividend, which may affect the dividend pay-out decision of the Company:

4.2.1. External Factors:

- 1. Economy
- 2. Capital Markets
- 3. Statutory Restrictions

4.2.2. Internal Factors:

- 1. Profits earned during the year;
- 2. Liquidity position of the Company;

3. Present & future capital requirements of the existing business, acquisition, expansion, etc.;
4. Any other factor as deemed fit by the Board.

5. Utilisation of retained earnings

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

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

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

7. Dividend payout

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. Board will endeavour to maintain a dividend pay-out ratio based on the previous ten year trends and track records. However, determining the dividend pay-out is dependent upon several factors, both internal and external.

8. Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the Act and the Regulations, the Act and the Regulations shall prevail.

9. Review and Amendment

The Board of Directors of the Company shall review and amend the Policy from time to time, as may be required.
