

## **GABRIEL INDIA LIMITED – Dividend Policy (as approved by Board on 02.02.2017)**

### **1. Dividend- General provisions**

The objective of the Dividend Policy of Gabriel India Limited (hereinafter referred to as the “Company”) is to define the Company’s strategy regarding the distribution and use of Company’s net profit to shareholders of the Company.

In the context of this policy, the dividends shall mean a part of the Company’s net profit distributed among shareholders in proportion to the amount of shares held by them. This policy provides for annual payout based on the amount of profit and funds required for the business purposes.

The Company’s Board of Directors shall follow the provisions of this Dividend Policy while preparing recommendations for the Shareholders’ Meeting regarding dividend distribution.

Any dividend declared by the Board of directors shall be subject to the approval of the Shareholders in General Meeting.

### **2. Declaration of Dividend**

As provided in the Companies Act, 2013 and the rules thereunder, Dividend shall be declared and paid only out of –

- i) Current Year’s profit - After providing for depreciation in accordance with applicable law/Act, or
- ii) The Profits for any previous financial year(s) - After providing for depreciation in accordance with applicable law/Act, and remaining undistributed, or
- iii) Out of i) & ii) both
- iv) Before declaring any dividend, the losses, if any, of any previous year(s) must be set off against the profits of the Company for the current year or previous years.

The dividend declared is subject to approval of Shareholders in the Annual General meeting.

### **3. Dividend Eligibility**

The company has only one class of equity shareholders and does not have any issued preference share capital. Therefore, dividend declared will be distributed equally among all shareholders, based on their shareholding on the record date.

### **4. Timing of declaration of Dividend**

**Interim Dividend:** Board to declare the interim dividend based on review of profits earned during the current year upto the date of declaration and out of the surplus in the profit and loss account

– one or two times in a year.

**Final Dividend:** Board to recommend to members for their approval based on review of profits arrived at as per audited financial statements, for the year – maximum once in a year.

## 5. Factors to be considered before declaration of dividend

The Board will consider the following factors before making any recommendation for the dividend :

Financial Factors :

- O Profits earned during the financial year
- O Accumulated reserves
- O Earnings stability
- O Future capital expenditure
- O Cost of raising funds from alternate sources
- O Cash flow position
- O Leverage profile and, under exceptional circumstances, the amount of contingent liabilities

Non-Financial Factors:

- O Inorganic growth plans
- O Stage of business cycle
- O Economic environment
- O Legal and regulatory framework
- O Past dividend trends
- O Reinvestment opportunities
- O Investor demands

The Management will provide the estimates for above based on business plans approved.

The Board considering above factors for retention of profit and funding plan for same will decide on dividend payment.

## 6. Utilisation of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for 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.

## 7. Deviations from the policy

The Board may not recommend any dividend or may recommend a lower payout for a given financial year, if:

- Company proposes to undertake a significant capital expenditure requiring higher allocation of capital;
- Company requires higher working capital requirements adversely impacting free cash flow;
- Company undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- The Company has reported a net loss for the year
- Cash flow from operations is negative
- The credit protection or capital adequacy metrics of the company are weak
- The Company is undergoing any form of debt restructuring
- The Company has been prohibited to declare dividends by any regulatory authority

- The Company has implemented, or intends to implement, a share repurchase (buyback) scheme or any other alternate profit distribution measures
- Any other extraordinary circumstances

**8. Dividend Information**

Information on dividends paid in the last years will be made available on the Annual Report / company website in the following format:

Year	Dividend per Share (Rs.)	Payout Ratio (Standalone) (%)

**9. Policy Approval and Updates**

This policy will be reviewed annually or as may be required by the board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

**10. Availability**

The most recent version of this policy will be available on the company's website (as and when it's covered under SEBI guidelines for disclosure)