



GANESH BENZOPLAST LIMITED

DIVIDEND DISTRIBUTION POLICY



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The equity shares of Ganesh Benzoplast Limited (GBL) is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. As per SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended, the top 1000 (One Thousand) listed Companies based on market capitalization (calculated as on 31st March every financial year) need to formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and on the website of the Company.

GBL is amongst the top 1000 listed entities as per the market capitalization criteria on March 31, 2023 and has accordingly formulated its Dividend Distribution Policy. The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between dividend pay-out and retained earnings, in order to address future needs of the Company.

The Policy is approved by the Board of Directors of the Company at its Board Meeting held on May 25, 2023.

PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

Dividends are generally recommended by the Board once a year, after the approval of annual audited accounts of the Company and before the Annual General Meeting (AGM) of the shareholders, as per the Companies Act, 2013. The Board may also declare interim dividends as may be permitted by the Companies Act, 2013.

Subject to the provisions of the applicable Law, the Company's dividend payout will be determined based on available financial resources, investment requirements and considering optimal shareholder return. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

A. The circumstances under which the shareholders may or may not expect dividend

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the following:

- i. Statutory Requirements
- ii. Conservation of resources for any unforeseen circumstances
- iii. Expansion and major capital expenditure
- iv. Losses, if any, incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year. d.
- v. Restrictions and covenants contained in any agreement as may be entered with the Lenders.
- vi. Such other purposes, as the Board may think appropriate from time to time to maintain /enhance its competitive advantage.

In case the Board of Directors abstains from declaring dividend, a justification thereof shall be provided to the shareholders in the Directors' Report.



B. Internal and External Factors That Shall Be Considered for Declaration of Dividend

Internal Factors

- a. Internal budgets, Capex Plans including investments, funds required for acquisition as Board of Directors may approve, Capital expenditure to meet expansion needs of the company and strengthening of working capital position
- b. Cash flow position of the Company
- c. Funds required to service any outstanding loans
- d. Any other significant developments that require cash investments.

External Factors

- a. Any significant changes in macro-economic environment affecting India or the geographies in which the clients / customers of the Company operate.
- b. Any significant change in the business resulting in the Company making significant investments to effect the necessary changes to its business model.
- c. Changes in the Government policies, industry specific rulings & regulatory provisions. Political instability, unforeseen circumstances / various calamities.
- d. Cost of external financing
- e. Applicable taxes including tax on dividend
- f. Industry outlook for the future years
- g. Inflation

C. Utilization of Retained Earnings

The retained earnings of the Company may be used in any of the following ways:

- a. Capital expenditure
- b. Diversification of Business
- c. Expansion or modernization
- d. Margin for the working capital
- e. investment in existing business(es),
- f. Capitalization of shares
- g. Buy back of shares
- h. General corporate purposes, including contingencies
- i. Any other permitted usage as per the Companies Act, 2013

D. Policy as to how the retained earnings shall be utilized

The consolidated profits earned by the Company can either be retained in the business and used for various purposes as mentioned in clause (C) above or it can be distributed to the shareholders.

E. Provisions in regard to various classes of shares

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares of face value of Re 1/- each. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.



F. Review

This policy will be reviewed and amended as and when required by the Board of Directors.

G. Limitation and Amendment

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations/Act shall prevail over this policy. Any subsequent amendment / modification in the Regulations/Act, in this regard shall automatically apply to this policy.