

GUJARAT GAS LIMITED

DIVIDEND DISTRIBUTION

POLICY

INTRODUCTION:

The Board of Directors of Gujarat Gas Limited approved this policy in its Meeting held on 11th August, 2016 as per the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016.

KEY PARAMETERS:

The following parameters to be considered while Distribution of Dividend by Gujarat Gas Limited:

- (a) The circumstances under which the shareholders of Gujarat Gas Limited may or may not expect dividend;
- (b) The financial parameters that shall be considered while declaring dividend;
- (c) Internal and external factors that shall be considered for declaration of dividend;
- (d) Policy as to how the retained earnings shall be utilized; and
- (e) Parameters that shall be adopted with regard to various classes of shares.

The Board may consider following factors before making any recommendations for the dividend (including interim dividend):

- Profits earned during the financial year and retained earnings of previous years;
- Cash flow position;
- Outstanding Debt and its repayment terms, Cost of raising funds from alternate sources;
- Consistency of Dividends in proportion to Earnings;
- Future Earnings growth;
- Future organic and inorganic expansion plans;
- Capital structure position;
- Legal requirements;
- Industry outlook and Regulatory commitments.



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The Board may choose not to declare any dividend in case of loss or inadequacy of profits during the year or based on above factors and the retained earnings may be utilized by the Company for payout of dividend, reinvestment in the business or issue of bonus shares.

End