

GLOSTER LIMITED
CIN: L17100WB1923PLC004628
DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) requires the top 1000 Companies to formulate a dividend distribution policy.

This Policy has been voluntarily adopted by the Board of Directors (“the Board”) of Gloster Limited (“Company”) at its meeting held on 4th February 2023.

2. OBJECTIVE AND CONSIDERATIONS

It is the practice of the Company, to reward the shareholders regularly by sharing profits earned by it. This policy will help the Shareholders to understand the Dividend distribution framework adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions. Dividend may be Interim, Final and/or Special.

3. FREQUENCY OF DIVIDEND DISTRIBUTION

In normal course, the Board will consider one dividend for a financial year. The dividend will be usually paid based on the financial performance of the full year. In addition, the Board may consider interim dividend for a financial year based on the considerations stated in this policy.

4. PARAMETERS FOR DISTRIBUTION OF 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 shall consider the following various parameters for declaration and payment of dividend.

(a) The circumstances under which the shareholders of the listed entities may expect dividend:

- (i) Adequate profits and liquidity;
- (ii) Accumulated profits not warranted for immediate business needs.

(b) The circumstances under which the shareholders of the listed entities may expect dividend:

- (i) Non availability of profits for dividend distribution;
- (ii) Funds available for dividend but need to conserve for:
 - Business Needs
 - Expected adverse economic / market scenario
 - Augmenting internal resources
 - Inadequate availability of cash
- (iii) Any other factor as may be deemed fit by the Board

(c) The financial parameters that shall be considered while declaring dividend:

- (i) Availability of profits;

- (ii) Debt-Equity ratio;
- (iii) Debt-interest coverage ratio;
- (iv) Liquidity position;
- (v) Projections of future profits and cashflows;
- (vi) Borrowing levels and the capacity to borrow including repayment commitments;
- (vii) Present and future Capital expenditure plans of the Company
- (viii) Applicable taxes including tax on dividend;
- (ix) Past dividend trend for the Company and the industry;
- (x) Any other factor as may be deemed fit by the Board

(d) Internal factors that shall be considered for declaration of dividend:

- (i) Expansion and modernisation of existing business;
- (ii) Investment in research and development;
- (iii) Working capital requirements;
- (iv) Mergers and Acquisitions;
- (v) Investments in subsidiaries/Joint ventures/associates;
- (vi) Buyback options;
- (vii) Any other factor as deemed appropriate by the Board.

(e) External factors that shall be considered for declaration of dividend:

- (i) Regulatory Restrictions / Obligations
- (ii) Shareholders' expectations;
- (iii) Future uncertainties and industrial downturn;
- (iv) Government policy;
- (viii) Any other factor as deemed appropriate by the Board.

(f) Policy as to how the retained earnings shall be utilized

- (i) Acquisition/Diversification of business;
- (ii) Long term strategic plan;
- (iii) Market or product development/expansion plan;
- (iv) Increase in production capacity;
- (v) Replacement of Capital intensive assets;
- (vi) Issue of fully paid-up bonus shares;
- (vii) Repayment of debt;
- (viii) Any other permitted use as may be decided by the Board.

If the Company proposes to declare dividend on the basis of parameters in addition to clauses (a) to (f) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

5. DISCLOSURE OF THIS POLICY

The Company shall disclose this policy on its websites and provide a web-link in their annual reports.

6. AMENDMENT TO THIS POLICY

The Board may amend this Policy as and when deemed fit. Any and all provisions of this Policy shall be amended as needed due to business and economic conditions or regulatory changes from time to time.