

DIVIDEND DISTRIBUTION POLICY

Corporate Identification Number [CIN]: L45200GJ1991PLC015817
Registered Office: Ganesh Corporate House, 100 Feet Hebatpur Thaltej Road,
Near Sola Bridge, Off S. G. Highway, Ahmedabad 380 054

GANESH HOUSING CORPORATION LTD.

D. Talati
CHAIRMAN

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1. INTRODUCTION:

The Equity Shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Pursuant to the provisions of the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”), the Company do hereby adopts the Policy to comply with the requirements of the Regulations.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review and amend if and when the Company issues different classes of shares.

2. OBJECTIVE

The Company firmly believes that driving growth creates maximum shareholder value. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“Policy”) and procedures with respect to Dividends declared/recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) as amended from time to time. The Board may review and amend this policy from time to time.

3. REGULATORY FRAMEWORK:

The Company being one in the top 1000 (thousand) Listed Companies as per the Market Capitalization as on the last day of the immediately preceding financial year, frames the Dividend Distribution Policy (“Policy”) to comply with the requirements of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. EFFECTIVE DATE:

This Policy will be effective from April 1, 2022.

5. DEFINITIONS:

- (a) **"Act"** means Companies Act, 2013 and rules made thereunder, including any modifications, amendments or re-enactment thereof.
- (b) **"Regulations"** means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any modifications, amendments or re-enactment thereof.
- (c) **"Board or Board of Directors"** means Board of Directors of the Company.
- (d) **"Company"** means Ganesh Housing Corporation Limited (GHCL).
- (e) **"Policy"** means Dividend Distribution Policy.
- (f) **"Dividend"** shall mean dividend as defined under Companies Act, 2013.
- (g) **"Financial Year"** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- (h) **"Interim Dividend"** means dividend declared by the Board during the financial year (one or more time) or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year.
- (i) **"Final Dividend"** means the dividend paid once at the end of the Financial Year by the company to its shareholders.

6. DIVIDEND DISTRIBUTION:

The Board of Directors shall endeavor to take a decision for Dividend Distribution with an objective to enhance shareholders value. However, the decision regarding pay-out is subject to several parameters which form part of this Policy.

The Dividend once declared will be paid/ distributed within the statutory period permitted by law.

7. PROCEDURE:

- The Act provides for two types of dividend i.e. Interim and Final Dividend.
- Interim Dividend would be declared by the Board as and when deemed fit, considering the Financial Position of the Company.
- The Board would recommend the Final Dividend to the shareholders for the approval in the Annual General Meeting of the Company.

8. PARAMETERS TO BE CONSIDERED FOR DIVIDEND DISTRIBUTION POLICY:

8.1 THE CIRCUMSTANCE UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND:

- Due to operation of any other law for the time being in force;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes or proposes to undertake a significant expansion/diversification of the project requiring higher allocation of capital;
- In the event of inadequacy of profit or whenever the Company has incurred losses and the board considers it appropriate not to declare dividend for that particular year.
- Deploying of new technology for construction of buildings.

8.2 FINANCIAL PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND:

The Company would reckon the following:

- Cash Flow or Liquidity;
- Profitability;
- Future growth of the Company;
- Payout Ratios;
- Investments required towards execution of company's strategy;
- Funds required for any acquisition that Board of Director may approve;
- Minimum cash required for contingences or unforeseen events;
- Any other significant developments that requires cash investment.

8.3 INTERNAL & EXTERNAL FACTORS / PARAMETERS TO BE CONSIDERED BY THE BOARD FOR RECOMMENDING/ DECLARING DIVIDEND:

The Company after meeting its internal cash requirements and maintaining a reasonable cash balance towards any strategic investments (external factor), the Company will endeavor to return the rest of free cash generated to the shareholders through regular dividends:

(a) Internal Factors:

- Profit earned during the year;
- Capital Expenditure;
- Free cash flow generation;
- Funds required to service any outstanding loans;
- Dividend Distribution History or Track Record;
- Pay-out Ratios;
- Investments including Merger and Amalgamation (M&A);
- Balance available in free reserves.

(b) External Factors:

- Economic Conditions;
- Statutory Restrictions viz. taxation, political or regulatory changes laid down under the applicable provisions (Government Regulations);
- Financing Cost;
- Industry Standards.

8.4 UTILIZATION OF THE RETAINING EARNINGS:

- The retained earnings will be deployed in line with the permitted usage as per the Act, Rules and Regulations or any other applicable law.
- Utilized for the growth of the company, various project/plan developments, capital expenditure and any other business requirements.

9. POLICY REVIEW:

- The Board will review the policy periodically, by considering the various regulatory addendums and amendments.
- The Board is authorized to amend the policy after placing the same before the Board of Directors for noting as well as necessary ratifications.