



GOODLUCK INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

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DIVIDEND DISTRIBUTION POLICY

1.0 INTRODUCTION

According to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) Every top 1000 listed companies, based on their market capitalisation, requires to formulate a Dividend Distribution Policy. Accordingly, the Company, one of the top thousand listed companies, also requires to formulate its Dividend Distribution Policy and disclose it on company’s website. The Board of Director of the Company has approved this Dividend Distribution Policy of the Company (“the Policy”) which endeavors for a consistent approach to dividend pay-out plans.

2.0 OBJECT

The Object of the Policy is to lay down a broad framework for distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

3.0 SCOPE

The Policy is applicable to the declaration and recommendation of dividend (including interim dividend) to its shareholders. It reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy to pay dividend, subject to the circumstances and factors

enlisted herein, which shall be consistent with the performance of the Company over the years.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy shall not apply to: (1) determination and declaring of dividend on preference shares as the same will be as per the terms of issue;(2) Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law and (3) Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

4.0 DIVIDEND DISTRIBUTION

The decision regarding dividend payout seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to fund the growth plans of the Company. The Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company.

The Board may declare/recommend Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act, 2013. Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

5.0 CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus funds, after providing all expenses, depreciation, etc., and complying all other statutory requirements of the Act and after taking into consideration relevant internal and external factors given in the policy for declaration of dividend. However, efforts will be made to maintain a dividend payout in the range of 5% to 20% of the net profits of the Company after tax, in any financial year, subject to compliance of covenants with Lenders/Bond holders.

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i.** In the event of loss or inadequacy of profit/Cash Flow;
- ii.** Adverse market conditions or regulatory constraints;
- iii.** Proposal for buy-back of securities;
- iv.** Need of higher working capital for the business operations;
- v.** Specific need to conserve resources in view of any proposed large capital allocation for expansion and M&A activities;
- vi.** Other business condition(s) in which in the opinion of the Board it would be prudent to conserve resources.

6.0 FINANCIAL PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDENDS

The following financial parameters shall be considered before declaration of dividend:

- i.** Current year's earnings of the Company;
- ii.** Cost of raising funds;

- iii.** Operating cash flow of the Company;
- iv.** Obligations to lenders;
- v.** Inadequacy of profits;
- vi.** Reinvestment opportunities;
- vii.** Present and future capital requirement of the Company.

7.0 INTERNAL FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

The following Internal factors shall be considered before declaration of dividend:

- i.** The liquidity position of the company;
- ii.** The Company's long term growth strategy;
- iii.** working capital requirements and debt servicing obligations;
- iv.** The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders;
- v.** Any other factor as deemed fit by the Board.

8.0 EXTERNAL FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

The following external factors shall be considered before declaration of dividend:

- i.** Macroeconomic conditions;
- ii.** Taxation and other regulatory provisions;
- iii.** Changes in the Government policies, industry specific rulings & regulatory provisions;
- iv.** the growth and performance of the applicable industrial sector, emerging trends in the financial market and performance of the Company vis-à-vis its peers and dividend payout ratio of the comparable companies;

- v. Any other factor which has a significant influence/impact on the Company's working/financial position.

9.0 UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. Subject to the provisions of the applicable laws, the Company may declare dividend out of profits of the Company for the year or out of the profit of previous year or out of free reserves available for distribution of dividend, after having due regard to the parameters laid down in the Policy.

10.0 PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES

The Company has only one class of equity shareholders and does not have any issued preference share capital. However, in case Company issue different class of equity shares any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue. Dividend when declared shall be first paid to the preference shareholders of the Company, if any as per the terms and conditions of their issue.

11.0 REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments. The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the applicable Regulations, etc.



12.0 DISCLAIMER

This document does not solicit investments in the Company's securities and it is not an assurance of guaranteed returns (in any form), for investments in the Company's securities.
