

Dividend Distribution Policy

1. Introduction:

The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Listing Obligations and Disclosure Requirements) and in pursuance to Regulation 43 and 43A of the Listing Regulations Company on voluntary basis and for good corporate governance, the Board of Directors of the “Goel Construction Company Limited” (“the Company”) at its meeting held on 12th March, 2025 has approved and adopted this Dividend Distribution Policy (“the Policy”).

2. Purpose and Scope:

The Company has a very good track record of being an Investor friendly Company as it is committed to driving value creation for all its shareholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and long-term value creation.

The policy set outs the principles and factors which would guide the Board of Directors of the Company in taking decisions with regard to declaration and distribution of dividend and/or retaining profits earned by the Company and thereby providing transparency to its shareholders. The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining enough funds for the growth of the Company thus maximizing shareholders’ value. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

3. Interpretation:

The words and expressions used and not defined in this policy but defined in the Companies Act, 2013 or rules made there under or the Securities and Exchange Board of India Act, 1992 or regulation made there under or Depositories Act, 1996 shall have the same meanings respectively assigned to them in those acts, rules and regulations.

4. Procedure and Policy:

I. The circumstances under which the shareholders of the listed entities may or may not expect dividend: The Dividend for any financial year shall be paid out of the Company profits for that year. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) and/or from the free reserves in accordance with provisions of the Act and Rules/ Regulations, as applicable. The Board of Directors of a Company may declare interim dividend during any financial year in accordance with provisions of the Act and Rules/ Regulations, as applicable.



Since the dividend payout is the amount of profit to be distributed among the shareholders and is a vital decision, the Board shall take into account various financial requirements (present and future) of the Company and its subsidiaries (if any) and other relevant factors mentioned in this Policy before recommending or declaring the dividend during any period. The dividend shall be recommended by the Board subject to the approval of the Members except for Interim Dividend which shall be declared by the Board. The Members can reduce the dividend recommended by the Board but cannot enhance the same.

Dividend would be declared on per share basis on the Ordinary Equity Shares of the Company. Dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date/ book closure date.

The shareholders of the Company may not expect dividend under the following circumstances:

- (a) When the Company needs high working capital for the operations of the Company;
- (b) If profits are inadequate or in the event of loss;
- (c) If the Company proposes to utilize the surplus cash for buy back of shares of the Company;
- (d) If the Company undertakes or proposes to undertake any expansion, acquisitions, joint ventures, amalgamation, merger or new product launch which requires high capital allocation or outflow;
- (e) The board is of opinion that the Company, after dividend payment, would be unable to pay its liabilities or discharge its obligations as and when they become due.

II. The financial parameters and factors that shall be considered while declaring dividend:

The Board would take into account, inter alia, the following financial parameters and factors while recommending dividend to the shareholders:

(A) Financial Parameters and Internal Factors:

- (a) Standalone Profit after Tax
- (b) Standalone free cash flow
- (c) Net Sales
- (d) Profits available for distribution
- (e) Earnings per share (EPS)
- (f) Prevailing Taxation Policy or any amendments expected thereof
- (g) Previous dividend trends
- (h) Working Capital Requirements



- (i) Outstanding borrowings
- (j) Capital Expenditure Requirements including additional investment in Subsidiaries
- (k) Business expansion and growth
- (l) Business Policy
- (m) Any corporate action affecting availability of cash
- (n) Any other item which may have a financial impact of the Company.

(B) External Factors:

- (a) **Regulatory changes-** new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- (b) Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.
- (c) **Macro-economic environment-** Significant changes in macro-economic environment in which the Company is engaged in the geographies in which the Company operates.
- (d) Any changes in the competitive environment requiring significant investment.

III. Utilization of retained earnings:

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, Organic and/or Inorganic growth, for the purpose of generating higher returns for the shareholders, Dividend declaration, Issue of Bonus shares/ Buyback, General corporate purposes including contingencies, correcting capital structure, any other permitted usage as per Companies Act, 2013 and other applicable rules/ regulation for the time being enforce.

5. Parameters that shall be adopted with regard to various classes of Shares:

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

6. Conflict in Policy:

In the event of any conflict between this Policy and the provisions contained in the Act/ Rules/ Regulations, the Act/ Rules/ Regulations shall prevail.



7. Disclosure:

The Policy shall be disclosed on the website of the Company i.e <https://goelconstruction.co.in/>

8. Amendment:

The Board of Directors may review and amend the abovementioned policy from time to time in accordance with the applicable laws. Any subsequent notification, circular, guidelines or amendments under Listing Regulation and other applicable laws as may be issued from time to time shall be mutatis mutandis applicable without further modification or amendment in this Policy.

Date of the approval by the Board: 12th March, 2025 Version: First



***Disclaimer:** This document does not solicit investments in the Company's securities. Nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.*