



DIVIDEND DISTRIBUTION POLICY OF GEM ENVIRO MANAGEMENT LIMITED

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GEM ENVIRO MANAGEMENT LIMITED



Approved on December 06, 2023



DIVIDEND DISTRIBUTION POLICY OF GEM ENVIRO MANAGEMENT LIMITED

1. INTRODUCTION

This Policy is framed in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended, from time to time.

2. OBJECTIVE

This Policy lays down parameters to be considered by the Board of Directors of the Company for the declaration of Dividend from time to time and the Policy shall be disclosed on the website of the Company in accordance with the SEBI Listing Regulations.

3. DEFINITIONS

- a. "Act" means the Companies Act, 2013 including the rules made thereunder.
- b. "Board" or "Board of Directors" means the Board of Directors of GEM Enviro Management Limited.
- c. "Company" means GEM Enviro Management Limited.
- d. "Dividend" shall mean Dividend as defined under the Companies Act, 2013.
- e. "SEBI Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

4. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

The **Internal factors (financial parameters)** which would be considered while declaration of dividend by the Board as follows:

- a. Profits of the Company
- b. Past dividend trends
- c. Accumulated reserves
- d. Present and future Capital requirements
- e. Financial requirements including business expansion plans
- f. Liquidity position of the Company
- g. Debt obligations
- h. Contingency plans
- i. Company's future prospects including its continued ability to sustain its profits
- j. Any other factor as deemed fit by the Board.



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Apart from the various Internal factors aforementioned, certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the **External factors** affecting the Company's dividend payment are:

- a. Economic Environment
- b. Inflation rate
- c. Industry Outlook for the future years
- d. Regulatory requirements, etc.

The Company will endeavour to maintain the dividend track record subject to the factors which the Board might appropriately consider at that point in time. When the performance of the company coupled with the market conditions are conducive/ favourable, the Board may consider declaring interim dividends too. In order to conserve resources, the Board may consider recommending a lesser rate of dividend (as compared to earlier years).

5. MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings of the Company may be utilized in any of the following ways:

- a. Capital expenditure for Working Capital
- b. Organic and/or inorganic growth
- c. Investment in new business(es)
- d. Additional investment in existing business(es)
- e. Declaration of dividend
- f. Capitalization of shares
- g. Buy back of shares
- h. General corporate purposes, including contingencies
- i. Any other permitted usage as per the Companies Act, 2013.

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend in the following circumstances:

- a. Inadequacy or absence of profits
- b. Prospective growth opportunities/ threats/ concerns of the Company
- c. Higher working capital requirements for business operations of the Company
- d. Inadequacy of cash flow available for distribution



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7. REVIEW / AMENDMENT

This Policy shall be reviewed periodically by the Board, from time to time.

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.