GUJARAT VICTORY FORGINGS LIMITED

DIVIDEND DISTRIBUTION POLICY

[ADOPTED BY BOARD ON 12TH MARCH, 2026]

DESCRIPTION OF DOCUMENT: *This document provides a brief description of the Dividend Distribution Policy at Gujarat Victory Forgings Limited.*

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TABLE OF CONTENTS

Sr. No.	Particulars	Page Number
1.	INTRODUCTION	1
2.	OBJECTIVE	1
3.	DEFINITIONS	1
4.	PARAMETERS FOR DIVIDEND DECLARATION	2
5.	CIRCUMSTANCES FOR NON-DECLARATION OF DIVIDEND	2
6.	UTILISATION OF RETAINED EARNINGS	3
7.	CONFLICT IN POLICY	3
8.	DISCLOSURES	3
9.	REVIEW AND AMENDMENTS	4

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DIVIDEND DISTRIBUTION POLICY

The following is the Dividend Distribution Policy (the **"Policy"**) adopted by *Gujarat Victory Forgings Limited* (hereinafter referred to as the "**Company**") in accordance with the provisions of the Articles of Association of the Company, Section 123 of the Companies Act, 2013 ("**the Act**") and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations**").

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1. INTRODUCTION

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the top 1,000 listed entities (based on market capitalisation) to formulate and disclose a Dividend Distribution Policy.

Although the provisions of Regulation 43A are presently not applicable to Gujarat Victory Forgings Limited ("Company"), the Company has voluntarily adopted this Dividend Distribution Policy as a measure of good corporate governance and in view of its proposed Initial Public Offering (IPO) and proposed listing of its equity shares on the recognised stock exchange(s).

This Policy sets out the broad parameters and circumstances that the Board of Directors of the Company shall consider while recommending or declaring dividends and determining the distribution or retention of profits, in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Regulations and other applicable laws, as amended from time to time.

Additionally, in accordance with Section 124 of the Act, any dividend that remains unpaid or unclaimed for a period of thirty (30) days from the date of declaration shall be transferred by the Company to a special account to be opened by the Company in that behalf, to be called the "Unpaid Dividend Account", and any money transferred to such account which remains unpaid or unclaimed for a period of seven (7) consecutive years from the date of such transfer shall, together with the shares in respect of which such dividend has not been paid or claimed, be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established under the Act.

2. OBJECTIVE

A dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion, modernisation or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The board of directors will refer to the Policy while declaring/recommending dividends on behalf of the Company. Through this Policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

The objective of this Policy is to establish the parameters to be considered by the board of directors of the Company before declaring or recommending a dividend.

3. DEFINITIONS

The terms referred to in the Policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Listing Regulations

4. PARAMETERS TO BE CONSIDERED BEFORE DECLARING/RECOMMENDING DIVIDEND

4.1. Financial & Internal Parameters

The board of directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for the next three to five years
- Expected future capital / liquidity requirements
- Business expansion and growth
- Acquisition of brands and business
- Past dividend payout ratio / trends
- Any other relevant factors and material events.

4.2. External Parameters

The board of directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- **Macro-economic environment** – Significant changes in macroeconomic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- **Regulatory changes** – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- **Technological changes** which necessitate significant new investments in any of the businesses in which the Company is engaged.
- Capital markets
- Inflation rates
- Taxation

5. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

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

6.1. The board of directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Act and the SEBI Listing Regulations. The board of directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management

of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

6.2. The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the board:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirements for business operations or otherwise.

iii. When the Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.

iv. In the event of loss or inadequacy of profits.

6.3. The board of directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the board.

6.4. The Company will decide on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholder's wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

7. UTILISATION OF RETAINED EARNINGS

7.1. The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and its shareholders.

7.2. The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the board of directors of the Company.

8. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the SEBI Listing Regulations, the SEBI Listing Regulations shall prevail.

9. DISCLOSURES

The Company shall make appropriate disclosures as required under the Act and the SEBI Listing Regulations. The Policy shall be disclosed on the website of the Company and a web- link shall also be provided in annual reports.

Additionally, in accordance with Section 134(3)(k) of the Act, the Board's Report of the Company shall disclose the amount, if any, which the Board recommends should be paid by way of dividend for the relevant financial year.

In case, the Company proposes to declare a dividend on the basis of the parameters in addition to those

as specified in this Policy and/or proposes to change any of the parameters, the Company shall disclose such changes along with the rationale in its annual report and on its website.

10. REVIEW AND AMENDMENTS

Any subsequent amendment/modification in the Act, the SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

The Board (including its duly constituted committees) may, from time to time, make amendments to this Policy to the extent required due to changes in applicable laws and the SEBI Listing Regulations or as deemed fit on a review. The modifications, if any, made to the Policy shall be disclosed on the website of the Company.

(This Policy is approved and adopted by the Board of Directors of the Company in its meeting held on 12th March,2026)

For and on behalf of Board
Gujarat Victory Forgings Limited
(Formerly Known as Gujarat Victory Forgings Private Limited)





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Rahul Vijendra Agrawal
Chairman & Managing Director
DIN: 02523976