



## **DIVIDEND DISTRIBUTION POLICY**

***(Under Regulation 43(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

*The Policy is to establish a dividend distribution framework in a manner so as to strike the right balance between quantum of dividend to be paid and the amount of profit to be retained in the business and the parameters to be considered by the Company while declaring dividend.*

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*Effective Date: May 22, 2020*

## **DIVIDEND DISTRIBUTION POLICY**

The Equity Shares of Goodyear India Limited (the “Company”) are listed on Bombay Stock Exchange Ltd. Mumbai. The Company is in the BSE top 500 listed Companies as on March 31, 2020 and therefore, the Board of Directors of the Company has approved and adopted this Dividend Distribution Policy (the “Policy”) at its meeting held on May 22, 2020 (“Effective Date”).

The Company stands committed to enhance long term shareholder value and deliver sustainable growth to all its shareholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders while maintaining a strong financial foundation for the Company, in the form of dividend. The Board shall recommend dividend only if it is of the opinion that it is financially prudent to do so.

The Company has issued only one class of equity shares with equal voting rights and therefore all the members of the Company are entitled to receive the same amount of dividend per share.

The Board may or may not recommend any dividend or a lower payout for a given financial year, if:

- a) The Company has reported a net loss for the year;
- b) Cashflow from operations is negative;
- c) Free cashflow is affected due to future capital expenditure/ expansion, strategic investments and working capital requirement;
- d) The credit protection or capital adequacy metrics of the Company are weak;
- e) The Company is undergoing any form of debt restructuring;
- f) The Company has been prohibited to declare dividends by any regulatory authority;
- g) The Company has implemented, or intends to implement, a share repurchase (buyback) scheme or any other alternate profit distribution measures;
- h) To be in compliance with the Act and regulations of the Securities and Exchange Board of India; and
- i) Any other circumstances as considered relevant or appropriate by the Board of Directors.

The Board may consider the following factors before declaring interim dividend or recommending a final dividend to shareholders for declaration:

- a) Current year profits, accumulated reserves and earning stability in line with the development of internal and external environment;
- b) Operating cash flows and treasury position keeping in view the total debt to equity ratio;
- c) Providing for unforeseen events and contingencies with financial implications;
- d) Current and future capital expenditure/ expansion, strategic investments and working capital requirements;
- e) Overall macro-economic scenario / regulatory environment and business conditions;
- f) Unfavourable market conditions;
- g) Past dividend trends – rate of dividend, EPS and payout ratio, etc;
- h) Any other financial parameter or factor as considered relevant or appropriate by the Board of Directors.

The Company shall declare and pay dividend, both, interim and final dividend, in compliance

with the applicable laws and any other rules and/or regulations issued for the purpose by the Ministry of Corporate Affairs and/or the SEBI and/or the Central Government and the Articles of Association of the Company, as in force and as amended from time to time.

The Company may retain its earnings in order to make alternative use of the available funds and increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- (i) Whenever the Company proposes to utilize surplus cash for buyback of securities;
- (ii) In the event of loss or inadequacy of profits;
- (iii) Whenever the Company undertakes or proposes to undertake modernization / expansion plan;
- (iv) Investment for future growth plan – organic or inorganic;
- (v) Dealing with any possible downturns in the business;
- (vi) General corporate purposes, including contingencies;
- (vii) Correcting the capital structure; and
- (viii) Other such criteria as the Board may deem fit from time to time.

This Policy shall be reviewed by the Board as may be deemed necessary. The Board will provide a rationale for the deviation from the Policy in the Annual Report. Any changes or revisions to this Policy will be made available to shareholders in a timely manner.

The latest version of the Policy will be made available on the website of the Company. The Policy will also be disclosed in the Company's annual report.