

12th August 2016

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	BSE Limited 14 th Floor, P J Towers, Dalal Street, Fort, Mumbai 400 001
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Dear Madam/ Sir,

Sub: Decisions taken at the Board Meeting

This is to inform that in the Board Meeting of the Company held yesterday to approve Unaudited Standalone financial results for the Quarter ended 30th June 2016, the Board of Directors have also approved the Company's Dividend Distribution Policy, in furtherance to the SEBI's requirement for the top 500 listed companies (by way of market capitalization) to formulate and disclose their Dividend Distribution Policies.

The approved Dividend Policy is enclosed herewith for reference please. It is also being made available on the Company website www.pipavav.com

Thank you,

Yours truly,
For **Gujarat Pipavav Port Limited**



Manish Agnihotri
Company Secretary & Compliance Officer



Encl: Dividend Distribution Policy

GUJARAT PIPAVAV PORT LIMITED

DIVIDEND DISTRIBUTION POLICY

Dividend is the Company's primary distribution of profits to its Shareholders. The Company's objective is to sustain a steady and consistent distribution of profits, by way of Dividend, to its Shareholders while considering the following:

(a) The circumstances under which the shareholders can or cannot expect dividend

The Company shall endeavour to pay Dividend to its shareholders in a steady and consistent manner except the following circumstances:

- (i) During no growth or weak growth in the trade requiring the Company to retain its earnings to be able to absorb unfavourable market conditions and for meeting the business requirements;
- (ii) To meet its funding requirements for expansion and growth;
- (iii) The Company's Joint Venture with Indian Railways, Pipavav Railway Corporation Limited requires equity infusion from its shareholders.

During such times the Company may decide to retain the earnings instead of distributing to the shareholders. The distribution of Dividend can be by way of Interim Dividend and/or by way of Final Dividend.

(b) The financial parameters that will be considered while declaring dividend

The Company shall consider the following parameters while declaring dividend:

- i) Current year's profit:
 - a) after setting off carried over previous losses, if any;
 - b) after providing for depreciation in accordance with the provisions of Schedule II of the Act;
 - c) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
- ii) The profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with law;
 - b) remaining undistributed; or
- iii) out of (i) or (ii) or both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary and exceptional income, generated from activities other than regular business (ii) extraordinary charges (iii) exceptional charges (iv) one off charges on account of change in law or rules or accounting policies or accounting standards (v) provisions or write offs on account of impairment in investments (long term or short term) (vi) noncash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.



(c) Internal and External factors that would be considered for declaration of dividend

The Company's Board shall always consider various Internal and External factors while considering the quantum for declaration of dividend such as the overall Economic scenario of

the country, the Export Import trade of the country, the statutory and regulatory provisions, the Company's own performance, its profitability, its growth plans, the performance and funding requirements of its joint venture Rail Company and such other factors as may be deemed fit by the Board.

(d) Policy as to how the retained earnings will be utilised

The retained earnings would mainly be utilised for the purpose of the Company's growth plans, the funding requirements of its joint venture Rail Company and for all such activities that in the Board's opinion shall enhance the shareholder's value.

(e) Provisions with regard to various classes of shares

The Company currently has only one class of shares namely Equity shares. In case the Company issues any other class of shares, this Policy shall be modified suitably for stipulating the parameters for distribution of dividend to all classes of shares.



