

G M B CERAMICS LTD
DIVIDEND DISTRIBUTION POLICY

Preamble

The Equity shares of G M B Ceramics Ltd (the 'Company' or GMBCL) are listed with The Calcutta Stock Exchange Ltd. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulation'), as amended, all listed companies are required to formulate a Dividend Distribution Policy. The Policy has to be disclosed in the Company's Annual Report and on its website.

Objective

The objective of the Dividend Distribution Policy of the Company is to reward shareholders by sharing a portion of the available profits, after ensuring that sufficient funds are retained for the future business requirements of the Company.

Effective Date

This Policy is effective from the financial year 2017-18.

Definitions

- ✓ **'Act'** means the Companies Act, 2013 and Rules made thereunder, including any amendments or modifications thereof.
- ✓ **'Board of Director' or 'Board'** means the collective body of the Directors of the Company.
- ✓ **'Company'** mean G M B Ceramics Ltd.
- ✓ **'Policy' means**, the 'Dividend Distribution Policy'.

Guidelines for Distribution of Dividend

- The Company shall pay dividend (including interim dividend) in compliance with the provisions of Section 123 of the Act and Companies (Declaration and Payment of Dividend) Rules, 2014.
- The Board shall recommend dividend when, according to the Board's opinion, it is financially prudent to do so, especially considering the need to preserve resources.
- While recommending any dividend for payment by the Company, the Board shall consider the following:
 - ✓ Current year's profits, future outlook, with due consideration of internal and external environment.
 - ✓ Operating cash flows and treasury position
 - ✓ Possibilities of alternative usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.
 - ✓ Providing for unforeseen events and contingencies with financial implications.
 - ✓ Other factors that may be considered relevant from time to time

- The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the annual general meeting of the Company.
- Dividend distribution shall be in accordance with the applicable provisions of the Act and Rules framed thereunder, SEBI Regulations and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

Amendments

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

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