

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Dividend Distribution Policy

1. Purpose:

The Policy will govern the process of dividend declaration and its pay-out by Gujarat Mineral Development Corporation Limited (“the Company”) in accordance with the provisions of Companies Act 2013, read with the applicable Rules framed thereunder, as may be in force for the time being (“Companies Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans.

Category of Dividends: The Companies Act provides for two forms of Dividend - Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it appropriate.

Final Dividend: The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of Payment of Final Dividend:

1. The Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy, based on the profits arrived at as per the audited financial statements.
2. Shareholders to approve the payment in Annual General Meeting once in a financial year.

Process for approval of Payment of Interim Dividend:

Board may declare Interim Dividend at its complete discretion in line with this Policy, based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items.

Declaration of Dividend:

The Company will declare the dividend subject to the provisions of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014 and any other applicable regulatory guidelines.

Factors to be considered while declaring Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

External Factors:

State of Economy: In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

Internal Factors:

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include -

- Government Policies;
- Income / Profits earned during the year;
- Fresh investments into external businesses;
- Additional investments in subsidiaries/ associates of the Company;
- Expansion/ Modernization of existing businesses;
- Land Acquisitions;
- Present & future capital requirements of the existing businesses;

Sustainable Dividend: The Company stands committed to deliver sustainable value to all its stakeholders. 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, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavor to maintain a sustainable dividend linked to long term performance, keeping in view of the capital needs of the Company's growth plan and desire to achieve optimal financing of such plans through internal accruals.

Review: This Policy will be reviewed periodically by the Board.
