

# **ANGEL BROKING LIMITED**

## **DIVIDEND DISTRIBUTION POLICY**

### **PREAMBLE:**

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 introduced on 8th July 2016.

The Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires top five hundred listed companies (by market capitalization as on March 31 of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Angel Broking Limited has approved and adopted this Dividend Distribution Policy at its meeting held on 16<sup>th</sup> April 2018, being effective from the financial year 2018-19.

### **OBJECTIVE:**

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time.

### **DEFINITIONS:**

Unless repugnant to the context:

“Companies Act or Act” shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

“Company” shall mean Angel Broking Limited

“Board” or “Board of Directors” shall mean Board of Directors of the Company.

“Dividend” shall mean Dividend as defined under the Companies Act, 2013

“Policy” means this Dividend Distribution Policy.

“SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

### **FACTORS FOR CONSIDERING DIVIDEND:**

The Board of Directors of the Company may consider inter-alia the following factors/parameters:

### **Financial Parameters and Internal and External factors that would be considered for declaration of dividend:**

- ✓ Distributable surplus available as per the Act and Regulations
- ✓ The Company's liquidity position and future cash flow needs
- ✓ Track record of Dividends distributed by the Company
- ✓ Payout ratios of comparable companies
- ✓ Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- ✓ Capital expenditure requirements considering the expansion and acquisition opportunities
- ✓ Cost and availability of alternative sources of financing
- ✓ Any restrictive / conservative covenants with lenders
- ✓ Statutory provisions and guidelines
- ✓ Macroeconomic and business conditions in general
- ✓ Any other relevant factors that the Board may deem fit to consider before declaring Dividend

### **MANNER OF DIVIDEND PAYOUT:**

#### **In case of final dividend:**

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

**In case of interim dividend:**

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

**UTILIZATION OF RETAINED EARNINGS:**

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy. Profits retained in the business will be invested in the business / operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure / acquisition(s) and for all other corporate purposes.

**PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND:**

The shareholders of the Company may not expect Dividend under the following circumstances:

In the event of inadequacy of profits or whenever the Company has incurred losses;

- Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- Allocation of cash required for buy-back of securities;
- Any of the above referred internal or external factors restraining the Company from considering dividend;
- For any other reason as the Board may deem fit from time to time.

**DISCLOSURES:**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at [www.angelbroking.com](http://www.angelbroking.com).

**POLICY REVIEW AND AMENDMENTS:**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority and other relevant external factors. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.