



SMC GLOBAL SECURITIES LIMITED

DIVIDEND DISTRIBUTION POLICY

Originally adopted by the Board of Directors on 3rd November, 2015

Amended by the Board of Directors on 7th June, 2021

1. Objective

This policy is framed in accordance with the requirement under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

The Policy reflects the intent of the Company to reward its equity shareholders by sharing a portion of its profits after adjusting for accumulated losses and unabsorbed depreciation, if any, and also retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

The policy on dividend distribution was initially adopted by the Board of Directors of the Company at its meeting held on 3rd November, 2015 and stands amended as on 7th June, 2021.

2. Declaration of dividend

The Company shall declare dividend (including interim dividend) in accordance with the applicable provisions of Companies Act, 2013 read with its allied Rules and the Listing Regulations.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs. 2 per share. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding as on the record date to be determined by the Board.

3. Circumstances under which shareholders of Company may or may not expect dividend

a. Circumstances under which shareholders may expect dividend

The Company would endeavour to maintain a dividend pay-out in the range of 25% to 35% of the profits of the Company subject to the financial performance of the Company as well as immediate and long term needs of the business and including other financial parameters as defined under clauses (a) to (i) of para 4 of the policy.

b. Circumstances under which shareholders may not expect dividend

The Board of the Company may not recommend any dividend if the profits are inadequate or the Company has incurred losses. In case where the Company is having adequate profits,

the Board may still resolve to refrain from issuing any dividend for a financial year in following situations:

- a) The Company is proposing to undertake a significant expansion in the business operations;
- b) There is a need of conservation of capital for future growth;
- c) In case there is any regulatory restriction;
- d) In case where, the Company is expecting low future profitability by virtue of any market survey;

4. Financial parameters that shall be considered while declaring dividend

The financial parameters which would be considered while declaration of dividend by the Board is as follows:

- a) Financial performance
- b) Dividend pay-out pattern/trend
- c) Cash flow requirements
- d) Tax implications, if any
- e) Any corporate actions including expansion plans and investments
- f) Future capital expenditure requirements
- g) Expected future profitability
- h) Market conditions and business needs
- i) Such other factors as may be material

Apart from the aforementioned internal factors, the Company may also consider external factors such as macro-economic environment, inflation rate in the economy etc. while declaring dividend.

Utilization of retained earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of shares for the stakeholders in the long run. The retained earnings may be utilised by the Company for buying of back of shares or for the purpose of issuance of bonus shares or for general corporate purposes.

The decision of utilization of retained earnings of the Company shall be based on the capital adequacy and future expansion or investment plans of the Company.

Amendments/Modifications

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions of this Policy inconsistent with the existing law, then the provisions of the amended law shall prevail over the Policy and the Policy shall be read accordingly. The provisions of the Policy shall also be conveniently modified by the Board of Directors to reflect the amendments.

Disclosure of Policy

The policy shall be available on the website of the Company and shall also be attached with the annual report of the Company.