



SHYAM METALICS AND ENERGY LIMITED

DIVIDEND DISTRIBUTION POLICY

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DIVIDEND DISTRIBUTION POLICY

1. Purpose & Background

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions contained in Companies Act, 2013 read with the applicable Rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However, this document does not solicit investments in the Company's equity shares.

2. Effective Date

This Policy shall be effective from 15th May, 2018

3. Dividend

Dividend is the payment made by the company to its shareholders out of the profit made by the company in proportion to the equity capital they hold, dividend included Interim Dividends.

4. Parameters for declaration of Dividend

The Board of Directors of the Company shall consider the following parameters for declaration of dividend:-

a) Financial parameters (internal factors)

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

b) External Factor

- Prevailing legal requirements
- Regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Dividend pay-out ratio of companies in the same industry.

5. Circumstances under which the shareholders may or may not expect Dividend

- If the Company undertakes or proposes to undertake a significant expansion of project/acquisitions of business/brand/company or joint ventures requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

6. Utilization of retained earnings

The retained earning after declaration of the dividend if any, shall be utilised in the manner as considered appropriate by the Board and subject to the applicable laws.

7. Parameters 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 the same dividend per share.

8. Review

The Chairman and Managing Director are individually authorised to make alterations in the policy if required from time to time. In case of any amendment(s), clarification(s) circular etc. issued by relevant authorities not being consistent to the provisions laid down under this policy then such amendment, clarification, circular etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment, clarification, circular etc.

9. Disclosure

This Policy shall be disclosed in the Company's annual reports and on the Company's website, www.shyammetalics.com . Further, in case the Company decides to declare dividend on the basis of parameters in addition to those mentioned in this Policy, or proposed to change the parameters, or change the Policy, all such changes along with rationale for the same shall be disclosed in the annual reports and on the Company's website, www.shyammetalics.com].

DATE: 15th May, 2018