



Angel One Limited

(Formerly known as Angel Broking Limited)

DIVIDEND DISTRIBUTION POLICY

(Regulation 43A of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements), 2015)

<i>Particulars</i>	<i>Date</i>	<i>Version</i>
<i>Policy adopted</i>	<i>April 16, 2018</i>	<i>1.0</i>
<i>Policy reviewed and approved</i>	<i>January 28, 2021</i>	<i>1.1</i>
	<i>May 05, 2021</i>	<i>1.2</i>
	<i>October 13, 2022</i>	<i>1.3</i>



PREAMBLE:

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ('SEBI LODR') introduced on 8th July 2016 vide Notification No. SEBI/LADNRO/GN/2016-17/008.

Regulation 43A of SEBI LODR requires top 1000 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.

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 in order to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

DEFINITIONS:

In this Policy, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly.

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

“**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 One Limited (formerly known as Angel Broking Limited)

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

“**Policy**” means this Dividend Distribution Policy.

“**SEBI**” means the Securities and Exchange Board of India.

“**SEBI LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Words and phrases used in this Policy and not defined herein shall derive their meaning from the Applicable Law.

“**SEBI Regulations**” means the regulations made by SEBI in accordance with the Securities and Exchange Board of India Act, 1992 (the SEBI Act).

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.



EFFECTIVE DATE:

This Policy was first approved and adopted by the Board of Directors on April 16, 2018 and was amended by the Board of Directors on January 28, 2021. The Policy is being further amended w.e.f. May 05, 2021 and January 28, 2021 and then on October 13, 2022 and the same will be effective from the same date.

FACTORS FOR CONSIDERING DIVIDEND:

The Company shall comply with relevant statutory provisions under the Companies Act, 2013. The Company may, before taking any appropriate decision on declaration / recommendation of dividend, transfer such percentage of profits for the financial year, as it may deem fit, to its reserves.

The Company shall pay dividends in compliance with the provisions of Section 123 of the Companies Act, 2013 ('Act') and Companies (Declaration and Payment of Dividend), Rules, 2014.

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 financial performance/ 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
- ✓ Prevailing legal requirements, Statutory provisions and guidelines, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws; Working Capital Requirements
- ✓ Capital expenditure requirements considering the expansion and acquisition opportunities
- ✓ Cost and availability of alternative sources of financing
- ✓ Any restrictive / conservative covenants with lenders
- ✓ Macroeconomic and business conditions in general
- ✓ Outstanding borrowings, if any
- ✓ Applicable taxes including dividend distribution tax.
- ✓ Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
- ✓ Technological Changes which necessitate significant investment in the business of the Company
- ✓ Overall performance of the sector/Industry in which the Company operates
- ✓ Dividend paid by the other companies operating in the same sector/Industry.
- ✓ Retained Earnings concept
- ✓ Earning outlook for the next 3 to 5 Years



- ✓ Setting off the unabsorbed losses and / or depreciation of past years, if any.
- ✓ Any other relevant factors that the Board may deem fit to consider before declaring Dividend

After giving due consideration to the aforementioned factors, the Board will endeavor to maintain a quarterly interim dividend pay-out; and if prudent, a final dividend, aggregating to at least 35% of Profit After Tax (PAT), in every financial year, on a standalone/consolidated basis. However, the Board may amend the pay-out, whenever considered appropriate by it, keeping in mind the aforesaid factors, having a bearing on the dividend pay-out decision.

MANNER OF DIVIDEND PAYOUT:

The dividend payout in each financial year, including interim dividends, will be decided by the Board keeping in mind the above-mentioned criteria.

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 laws.

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 along with all the compliances to be taken care of as per the statutory requirements.
- 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.



The Policy shall not apply to:

- i. Dividend to Preference Shareholders.
- ii. Distribution of cash or other assets to Equity Shareholders pursuant to buyback of shares
- iii. Issue of fully paid-up bonus shares or other securities to Equity Shareholders or converting partly paid-up equity shares to fully paid-up shares.

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.

The Board may decide to employ retained earnings in meeting the Company's future growth plans, other strategic purposes and/or distribution to shareholders, subject to applicable laws.

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.

DISCLOSURE:

As per the SEBI LODR, the Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.angelone.in

CONFLICT IN POLICY:

In the event of any conflict between the provisions of this Policy and provisions of the Act or SEBI LODR or any other statutory enactments, rules, the provisions of such Act or SEBI LODR or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

REVIEW:

The Policy shall be reviewed periodically by the senior management, to take into account the national and global economic conditions, Company's growth and investment plans and financial position, etc. and in accordance with any regulatory amendments.

AMENDMENTS:

Any subsequent amendment / modification in the Companies Act, 2013, SEBI regulations and / or other applicable laws in this regard shall automatically apply to this Policy.

The revision/ amendment to the Policy, if any, shall be subject to the approval of the Board, if and when practical difficulties are encountered.