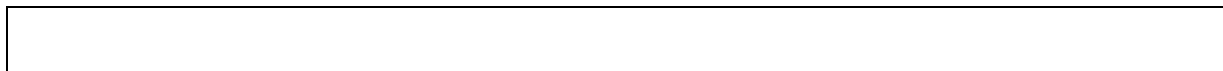




SEAMEC Document No: SEAMEC/DDP/2026-27/002			Document Title: Dividend Distribution Policy		
1	13.08.2021	For Implementation	Asst Company Secretary	President (Corp. Affairs, Legal & CS)	BOD
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REV #	DATE	REASON FOR ISSUE	PREPARED	CHECKED	APPROVED
Owner: President – Corporate Affairs, Legal and Company Secretary					
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DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. INTRODUCTION

The Board of Directors (the “Board”) of the Company understand the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“Policy”) and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time.

2. PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India (“SEBI”) vide its Gazette Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy for top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year further amended vide SEBI Listing Amendment Regulations, 2021 dated May 5, 2021, whereby has extended the scope of applicability of Dividend Distribution Policy for top thousand listed companies based on their market capitalization as on the 31st day of March of every year.

As the Company is one of the top thousand listed companies as on March 31, 2021 on the basis of market capitalization, the Board has laid down a broad framework for distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for inclusive growth and expansion 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. The Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.



3. FORMS OF DIVIDEND

- a. Interim Dividend - The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.
- b. 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 for their approval at the Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting. Recommendation of final dividend to shareholders would be at the discretion of the Board taking into consideration the factors enlisted hereunder.
- c. Special Dividend - The Board may declare/recommend special dividend as and when it deems fit.

The dividend will be recommended / declared on per share basis only.

4. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDENDS

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

Financial Parameters and Internal Factors

- Current year's profit/ Inadequacy of profit
- Accumulated reserves
- Distributable surplus available as per the various Acts and Regulations
- Return on invested capital
- The Company's liquidity position including its working capital requirements and debt servicing obligations
- Operating cash flow and future cash flow needs
- Capital expenditure requirements including need for replacement of capital assets, expansion and modernization or augmentation of capital asset including any major sustenance, improvement and growth proposals.
- Long term growth strategy of the Company requiring it to conserve cash to execute growth plan
- Funds requirement for contingencies and unforeseen events with financial implications
- Cost of Borrowings
- Stipulations/ Covenants of loan agreements
- Capital market scenarios



External Factors

- Government Policies and any changes there in
- Industry Outlook Macro- economic conditions and any changes therein
- Cost and availability of alternative sources of financing
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- Statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

The Board shall consider these parameters and factors provided in this clause before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc.

The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

5. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The retained earnings of the Company may be used in any of the following ways:

- i. Capital Expenditure for working capital,
- ii. Organic and/or inorganic growth,
- iii. Investment in new business(es) and /or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalization of shares,
- vi. Buy Back of shares,
- vii. General corporate purposes, including contingencies
- viii. Other such criteria as the Board may deem fit from time to time.

6. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASS OF SHARES

The provisions contained in this Policy shall apply to all classes of shares of the Company. It may be noted that, currently the Company has only one class of shares, namely equity shares.

7. DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of –

- a. Current financial year's profit:
 - i. after providing for depreciation in accordance with law;
 - ii. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion and as per applicable law.



Or

- b. The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed;

Or

- c. Out of 1) & 2) both.

In case of inadequacy or absence of profits in any financial year, the Company may also declare/ pay Dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, provided such declaration/ payment of dividend shall be made only in accordance with the provisions of the Companies Act, 2013 and rules specified therein.

The Dividend once declared or approved will be paid/ distributed within the statutory period permitted by law.

The Company would endeavor to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals. Subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within the parameters stated above, the Company would endeavor to maintain a total dividend pay-out ratio up to 20% of the annual standalone Profits after Tax (PAT) in the year dividend is recommended / declared by the Board of Directors. However, the dividend should not exceed 1% of the cash and cash equivalents as appearing in the Balance Sheet as on March 31 or the quarter ended in which the dividend is declared/ recommended by the Board of Directors.

8. DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.seamec.in.

9. POLICY REVIEW AND AMENDMENTS

The Policy will be reviewed periodically by the Board. The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI and other Regulations, etc.

Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

10. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Companies Act, 2013 and Listing Regulations, the Act and Listing Regulations shall prevail.



SEAMEC LIMITED

A member of the 

Disclaimer:

- a. *The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.*
- b. *Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.*