



SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED

Dividend distribution policy

This Dividend Distribution Policy is framed in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

The Board of Directors of the Company shall take into account the following parameters while declaring dividend or recommending dividend to shareholders:

- The distributable surplus available under law;
- Funding requirements of the Company's businesses, including those of its subsidiaries and associates, for their growth plans, organic and inorganic;
- The financial capacity that needs to be conserved to address contingencies that may arise;
- Funds required to service any outstanding loans;
- Liquidity and return ratios and financial covenants stipulated in connection with the Company's borrowings;
- Any other significant developments that require cash investments

The Board of Directors of the Company shall also consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant macro-economic environment, political, tax and regulatory changes affecting the geographies in which the Company operates;
- Any significant changes in the business, technological or competitive environment resulting in the Company making, or requiring to make, significant investments to effect the necessary changes to its business model;
- Any foreseeable opportunities and threats in the globalised competitive context

The surplus so determined, after factoring for these requirements, shall be distributed to shareholders over the long term. Consistent with the above, the Company will strive to declare a steady stream of dividend to its shareholders of at least 10% of the profits after tax for a financial year. However, the actual quantum of dividend pay-out each year will be guided by the Company's financial performance and cash flow position and will take into account the requirements of funds to sustain the business and growth plans of the Company, as well as the economic and market conditions then prevailing and the capital requirements and other parameters as mentioned elsewhere in this policy.

The Board of Directors of the Company (hereinafter referred to as the 'Board') may declare interim dividend(s), at their discretion. The Board's recommendation to the shareholders on the final dividend may include special dividend(s) as considered appropriate.

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.

This policy will be reviewed and amended as and when required by the Board.