



DIVIDEND DISTRIBUTION POLICY

KFin Technologies Limited

SIGNATORIES

Version	Prepared by	Reviewed by	Confirmed by	Approved by
1.0	Mr. Anshul Kumar Jain, Chief Compliance Officer and Head - Legal	Mr. Vivek Narayan Mathur, Chief Financial Officer	Board of Directors	

VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	March 24, 2022	Dividend Distribution Policy	New Policy

A. Introduction

1. Securities and Exchange Board of India (“**SEBI**”) has, through notification dated July 8, 2016, amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations**”) through the insertion of Regulation 43A which *inter alia* requires the formulation of a dividend distribution policy.
2. Pursuant to the above mentioned requirement in the SEBI (LODR) Regulations, KFin Technologies Limited (the “**Company**”) has framed this policy to describe the parameters and circumstances that will be taken into account by the board of directors of the Company (the “**Board of Directors**”) in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company (the “**Policy**”).
3. This policy applies to the distribution of dividend by the Company in accordance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations.
4. This policy is not an alternative to the decision of the Board of Directors for recommending dividend after taking into consideration all the relevant circumstances enumerated hereunder.

B. Effective Date

This Policy is effective from March 24, 2022.

C. Interpretation

1. Any reference in this Code to:
 - Any gender, whether masculine, feminine or neuter, shall be deemed to be construed as referring to the other gender or genders, as the case may be;
 - Singular number shall be construed as referring to the plural number and vice versa; and
 - Month shall mean to be a calendar month.
2. Reference to statutory/ regulatory provisions shall be construed as meaning and including references also to any amendment or re-enactment thereof for the time being in force.

This Policy is intended to be in conformity with the SEBI (LODR) Regulations as on the date of its adoption. However, if due to subsequent modifications in the SEBI (LODR) Regulations or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with the SEBI (LODR) Regulations, the provisions of the SEBI (LODR) Regulations as modified shall prevail.

D. The circumstances under which the shareholders may or may not expect dividend

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend. Generally, the Board of Directors shall determine the question of declaration of 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. Among other considerations, broadly, dividend may not be declared if the Board of Directors believes there is a need to conserve capital for growth or other exigencies.

E. The financial/internal parameters that would be considered while declaring dividend

The Board of Directors of the Company would consider the following financial/internal parameters while declaring dividend or recommending dividend to shareholders:

1. Capital allocation plans or growth plans (both, organic and inorganic) including:
 - expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;
 - investments required towards execution of the Company's strategy;
 - funds required for any acquisitions that the Board of Directors may approve; and
 - any share buy-back plans.
2. Financial performance of the Company for the year for which dividend is recommended.
3. Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax, as applicable) recommended for the year to the net profit for that year).
4. Tax implications if any, on distribution of dividends.
5. Cost of raising funds from alternate sources of capital.
6. Any interim dividend paid.
7. Minimum cash required for contingencies or unforeseen events.
8. Funds required to service any outstanding loans.
9. Liquidity and return ratios.
10. Cash flows.
11. Earning stability.

Any other significant developments or corporate actions (including but not limited to capital restructuring, debt reduction and capitalization of shares) that require cash investments.

F. External factors that would be considered for declaration of dividend

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

1. Any significant changes in macro-economic environment affecting India, or the geographies in which the Company operates.
2. Any significant changes in macro-economic environment affecting the business of the Company, or the clients of the Company.
3. Any political, tax and regulatory changes in India, or the geographies in which the Company operates.
4. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model.

5. Any change in inflation.
6. Cost of external financing or cost of raising funds from alternate sources.
7. Any changes in the competitive environment requiring significant investment.

G. Policy as to how the retained earnings shall be utilized

The Company would utilise the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of liquidity, meeting the Company's future business growth /expansion and strategic plans (for example, market expansion plans, product expansion plans, or modernization plans), diversification of the business of the Company, balancing the capital structure by de-leveraging the Company, or such other purpose the Board of Directors may deem fit from time to time in the interest of the Company and its stakeholders.

H. Provisions in regard to various classes of shares

The Company currently only has 1 class of shares, for which the Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

I. Declaration of dividend based on factors other than those mentioned in the Policy

In the event the Company declares dividend on the basis of factors in addition to clauses D to H above, it shall disclose such change along with the rationale for the same in its annual report and on its website.

J. Review

The Policy will be reviewed and amended as and when required by the Board of Directors.

K. Disclosure of the Policy

The Policy will be uploaded on the website of the Company.
