



**NETWORKS**

## **SITI NETWORKS LIMITED**

*(Formerly known as Siti Cable Networks Limited)*

(CIN L64200MH2006PLC160733)

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## **DIVIDEND DISTRIBUTION POLICY**

## **1. Preamble**

The Securities Exchange Board of India (SEBI) vide its notification dated July 8, 2016, inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Regulations) which mandates top five hundred listed companies (based on market capitalization of every Financial Year) to formulate a Dividend Distribution Policy.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized for declaration of dividend.

## **2. Philosophy**

SITI Networks Limited is committed to driving superior value creation for all its stakeholders and ensuring maintenance of right balance between the quantum of Dividend to be paid and amount of profits to be retained in the business for varied purposes. The focus of the Company will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and long term value creation.

Accordingly, the Board shall have a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business and the Company would first deploy its profits to fund its working capital requirements, capital expenditure requirements, allocate reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

This Policy shall not apply to:

- Issue of Bonus Shares by the Company
- Buyback of Securities

This Policy is not an alternative to the decision of the Board for declaring interim Dividend or recommending final Dividend after taking into consideration all the relevant circumstances or other factors as may be considered relevant by the Board.

### 3. Definitions

- **“Board”** shall mean Board of Directors of the Company.
- **“Companies Act”** shall mean the Companies Act, 2013 and Rules made thereunder, notified by the Ministry of Corporate Affairs, Government of India, and as amended from time to time.
- **“Dividend”** represents the profit of the Company, to be distributed to the shareholders in proportion to the amount paid-up on shares they hold and includes Interim Dividend.
- **“Financial Year”** means the period ending on 31<sup>st</sup> Day of March every year.

### 4. Circumstances under which shareholders may or may not expect Dividend:

At the end of each financial year or during any interim period, the Board will assess the Company's financial requirements including present and future organic and inorganic growth opportunities and other relevant factors to declare Equity Dividend for any financial year.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

The Dividend for any Financial Year shall be paid out by the Company in accordance with the provisions of Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto.

### 5. Financial Parameters and Factors to be considered while declaring Dividend:

The Company operates in dynamic business environment and therefore apart from various external factors that may be required to be considered based on changed business environment, the Board of Directors would *inter-alia* consider the following financial parameters and/or internal/external factors while recommending dividend:

Financial Parameters & Internal Factors - Distributable Surplus available as per Companies Act, 2013 and/or Listing Regulations; Liquidity position and future cash flow requirements; resource required to fund acquisitions / expansions; working capital requirements; likelihood of crystallization of contingent liabilities, if any; additional investments in subsidiaries and/or associates of the Company; track record of past dividends, etc.

External Factors – Macroeconomic and business conditions in general; Capital Markets, prevailing taxation policy or any amendments expected thereto with respect to Dividend Distribution; payout ratio of comparable companies etc.

The parameters and factors mentioned above are illustrative only and the Board may consider any other relevant factors that it may deem fit before declaring Dividend.

**6. Utilization of Retained Earnings:**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run and Subject to applicable regulatory requirements, the Company's retained earnings shall be applied for funding business requirements, exploring organic and/or in-organic growth; Buyback of securities; Payment of Dividend in future; issuance of bonus shares and/or any other permissible purposes.

**7. 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. In case of Partly Paid Shares, the Company may pay dividends in proportion to the amount paid up on each share. The Policy shall be suitably revisited/amended at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**8. General:**

This Policy would be subject to revision / amendment in accordance with the regulatory requirements and the Company reserves its right to alter any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s), etc. issued by relevant authorities which are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon this Policy and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s), etc.

**9. Disclaimer:**

This document does not solicit investments in the Company Securities, nor is it an assurance of guaranteed returns (in any form) for investments in the Company's Securities.