

## DIVIDEND DISTRIBUTION POLICY

OF

### 3i INFOTECH LIMITED

This policy applies to the distribution of dividend by 3i Infotech Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”).

The SEBI Board met on March 25, 2021, and in its meeting, SEBI has approved various amendments to the SEBI LODR. As Per SEBI LODR (Second Amendment) Regulations, regulation 43A – was incorporated requiring the top 1000 listed entities based on Market Capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their Annual Reports.

This Policy shall help the Board of Directors determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

The Board of Directors may in exceptional circumstances, deviate from the factors listed in this policy.

**a. The factors under which the shareholders may or may not expect dividend:**

The Board of Directors shall determine the dividend for a particular period after taking into consideration the financial performance of the Company. The Company shall also comply with the relevant statutory requirement with respect to declaration of dividend or retained earnings.

**b. Financial parameters and internal/external factors that shall be considered while declaring dividend:**

The financial parameters that may be considered before declaring dividend are profitability, cash flow and future growth and profitability outlook of the company.

In distributing the profits of the Company among Shareholders, the Board of Directors will seek to balance member’s need for a reasonable and predictable return on their investment with the Company’s funding requirements for longer term sustainable growth.

Given below are some of the internal/external factors that need to be considered while declaring dividend:

Internal Factors	External Factors
Net Profits generated	Any significant changes in Economic conditions of India
Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc	Financing Costs

Business Expansion	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;
Funds required to service any outstanding loans	Any political, Taxation or regulatory changes in the country in which the Company operates,
Any other significant developments that require cash investments	

After meeting internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavour to return the rest of the free cash generated to shareholders through regular dividends.

**c. Policy as how the retained earnings shall be utilized**

The consolidated profits earned by the Company can be either be retained in the business and used for any other reasons as the Board may deem fit.

**d. Provisions regarding various classes of shares**

Currently, the Company has only one class of equity shares. In future, if the Company issues multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

The Policy shall be disclosed on the website of the Company.

This Policy will be reviewed and amended as and when required by the Board or as per amendments in regulatory requirements.

In the event of any conflict between the provisions of this policy and the Act or SEBI LODR or any other statutory requirements, rules, the provisions of such Act or SEBI LODR or statutory enactments, rules shall prevail over this policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

\*\*\*\*\*