



## Siemens Limited

### Dividend Distribution Policy

Version history of the Policy:

<b>Effective date</b>	<b>Particulars</b>
23 <sup>rd</sup> November 2016	Inception of Policy



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## 1. Preamble

The Board of Directors (the “Board”) of Siemens Limited (the “Company”) has adopted the following policy with regard to dividend distribution (‘Dividend Distribution Policy” or “Policy”), in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (as amended and as applicable to the Company) (“SEBI Regulations”).

The Board may consider amendments to this Policy from time to time.

## 2. Purpose

This Policy seeks to outline broad parameters that may be applied for the purpose of recommending / declaring distribution of dividend to the members of the Company.

## 3. Applicability and governing law

The Policy on dividend distribution shall be governed by the Act, as may be in force for the time being as well as SEBI Regulations or such other Rules/Regulations, as may be notified by SEBI from time to time or as per any other applicable law.

**This Policy will be applicable to the Company with effect from 23<sup>rd</sup> November, 2016.**

## 4. Definitions

- a. “**Act**” shall mean the Companies Act, 2013 including the rules framed thereunder or any statutory modification or re-enactment thereof for the time being in force. Consequently all definitions shall be as per the Companies Act, 2013.
- b. “**Applicable Law**” shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Governmental Authority including any statutory modification or re-enactment thereof for the time being in force.
- c. “**SEBI Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 or any statutory modification or re-enactment thereof for the time being in force



- d. Any other term not defined herein shall have the same meaning as defined in the Act and the SEBI Regulations.

## 5. Policy on Dividend Distribution

The Board, in light of the prevailing Act, SEBI Regulations, Articles of Association and applicable law, while declaring / recommending dividend, shall ensure that an appropriate balance is maintained between adequately rewarding the members and ensuring that adequate financial resources are available to fuel the growth aspirations of the Company.

The Board accordingly, inter alia, shall consider the following parameters for the purpose of dividend distribution:

(a) Financial parameters that shall be considered while declaring dividend:

- i. Dividends will normally be paid wholly out of the profits for the year excluding extraordinary items.
- ii. While the rate of dividend for the year will be influenced by the available distributable profits for the year, the Board will attempt to maintain stability in the rate of dividend and / or in the percentage of distributable profits distributed as dividend over a long period of time.
- iii. The Company may not distribute a dividend or may distribute a reduced dividend when there is absence or inadequacy of profits.
- iv. The rate and quantum of dividend may also be influenced by the Board's consideration of expected profits for the future and / or the need to conserve resources for major acquisitions or major capital expenditure or other purposes.

(b) Cash flow considerations that the Board will keep in mind when declaring Dividend:

- i. Strategic plans of the Company and the financial resources required to achieve them.
- ii. Working capital requirements.

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- (c) In exceptional circumstances, the Company may use a part of the undistributed profits of previous years brought forward on the profit and loss account and / or where required undistributed profits previously credited to General Reserves, to distribute whole or part of the Dividend for the year or such other measure as may be determined by the Board.
  
- (d) In the event of a bonus shares issue, the rate at which subsequent dividends are distributed may be adequately reduced taking into account the percentage of distributable profits which are used for distribution as dividend.

Retained earnings will be used to strengthen the capital base of the Company and provide the leverage needed for its long-term growth including mergers and acquisitions. Till such time, the liquid funds are needed, they will be invested in the form of bank deposits and other investments which provide adequate returns consistent with safety of investment.

Following a review of the above parameters, the Board shall take a view on the extent of Dividend to be distributed to the members. The Board, may also decide, at its discretion and taking into account the financial position of the Company and its Strategic Plans, whether to distribute a special or interim dividend.

The Company, currently has only one class of equity shares that are fully paid-up, which rank pari passu with respect to voting and dividend.

## **6. Disclosure**

The Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

## **7. Amendments in Law**

Any subsequent amendment/modification in the Act, SEBI regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

## 8. Disclaimer :

This Policy has been prepared for the purpose of SEBI Regulations. By referring to this policy you agree to be bound by the following limitations:

- (a) The above 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) This Policy contains forward-looking statements based on beliefs of Siemens's Board and management. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as "targets", "believes", "expects", "aims", "assumes", "consider", "evaluate", "parameters" "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof.
- (c) By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this Policy. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from that or those described herein as anticipated, believed, estimated or expected.
- (d) 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.
- (e) No part of this Policy, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever. Investor/prospective advisors must be sought on specific situation from well-informed legal, investment, tax, financial, and management professionals.

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- (f) This Policy does not constitute a recommendation regarding the securities and / or dividend of the Company.
- (g) The Company does not intend to assume any obligation to update the forward looking statements in the Policy.