



INDIAN CLEARING CORPORATION LIMITED
DIVIDEND DISTRIBUTION POLICY

Approving Authority:	Board of Directors of the Company
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DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the “**Board**”) of Indian Clearing Corporation Limited (the “**Company**”) has adopted this dividend distribution policy (the “**Policy**”) formulated in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013 (“**Act**”). This progressive Policy reflects the intent of the Company to maintain or grow the dividend each year, while recognizing that some earnings fluctuations are to be expected and that the dividend declared by the Board will reflect its view of the earnings prospects over the entirety of the investment cycle.

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, continue to strike a balance between the interests of the business, our financial creditors and our shareholders.

This Policy has been adopted by the Board with effect from financial year 2024-25.

Guidelines for Dividend Declaration

The Board shall consider the following factors while declaring / recommending dividend:

1. Circumstances under which Shareholders can expect Dividend: Dividend will generally be paid once a year. Dividends for any financial year will generally be paid out of net profit earned during the said year. However, in special circumstances which include maintaining dividend rate, the Board may at its discretion, declare interim dividends and also declare dividend out of retained earnings.
2. Financial Factors: The dividend, if any, will depend on a number of factors, including but not limited to the Company’s result of operations, earnings, capital requirements and surplus, quantum of profits, current and future cash flow requirements, providing for unforeseen events, and contingencies, Regulatory / risk management / market exigency requirements (including contribution to Core Settlement Guarantee Fund and Inter CCP margin under Interoperability) and general financial conditions as the Board may deem fit.
3. Other Internal / External Factors: Internal factors include business expansion plan, investment plans, contractual restrictions, maintenance of Net-worth and other strategic priorities as may be considered prudent by the Board. External factors include market conditions, competition intensity, applicable legal restrictions, adherence to requirements stipulated under the regulations formulated by the Securities and Exchange Board of India, the Companies Act and rules thereunder, as amended from time to time, taxation and other factors considered relevant by our Board.
4. Utilization of Retained Earnings: Retained earnings will generally be used to strengthen the financial position of the Company and will be used for declaration of dividends in special circumstances including maintenance of dividend rate.
5. The Company currently has only one class of shares, viz. equity, for which this Policy is applicable. This Policy is subject to review if and when the Company issues different classes of shares.

After meeting internal present cash requirements (including near future) and maintaining a reasonable unencumbered and realisable cash balance, the Company will endeavor to return the free cash generated for the relevant financial year to shareholders through dividends subject to the statutory provisions as applicable and the aforementioned factors and such other factors as thought appropriate and may be decided by the Board from time to time. Further the criteria as per **Annexure** to be check before declaring dividend.

Dividend will continue to be accrued and payable with respect to shares held in abeyance.2

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The Policy shall be published in the annual report of the Company and available on the Company's website.

The adequacy of this Policy shall be reviewed and reassessed periodically and updated by the Board based on the changes that may be brought about due to any regulatory amendments or otherwise.

ANNEXURE

The criteria before declaring the Dividend.

- 1) The borrowing/Non-Fund borrowing to net-worth ratio shall be maintained by the Company below 10 times. (Net-worth will be after proposed dividend).
- 2) Sufficient cash balance (Minimum Rs. 200 Crore) which is unencumbered and realizable after considering capital and revenue expenditure including any regulatory norm from time to time which can be determined.