



Tanla Platforms Limited

Policy for Distribution of Dividends

Board Policies

July 2020

Version 1.1

Document Revision History

Date	Approved by	Change	Version number
Oct 31 2020	Board of Directors	New document	1.0

Document Reviews

Date	Author

The Board of Directors (the “Board”) of Tanla Platforms Limited (the “Company”) at its meeting held on October 31, 2020 has adopted this Dividend Distribution Policy (the “Policy”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

SCOPE, PURPOSE AND OBJECTIVE OF THE POLICY

The objective of this Policy is to establish the parameters to be considered by the Board of Tanla Platforms Limited and lay down a broad framework for decisions to be made with regard to distribution of dividend to shareholders and retaining of profits in this Dividend Distribution Policy (Policy), so as to maintain a consistent approach to dividend pay-out plans.

This Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for longer term sustainable growth of the Company. The Company shall, in line with this Policy, pay dividend which shall be consistent with the performance of the Company over the years.

The power to recommend dividend rests with the Board of Directors of the Company. The Board may recommend dividend based on considerations enumerated hereunder or other factors as the Board considers appropriate. This Policy shall not be a substitute for the decision of the Board for recommending dividend. The Board retains complete discretion for recommending of dividend as it may consider appropriate.

DIVIDEND GUIDELINE

The Company shall pay dividend in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The Companies Act, 2013 provides for two forms of dividend – Final and Interim. The process for pay-out of dividend shall be as follows:

1. Final Dividend

- The Board of Directors shall have the power to recommend the final dividend to the shareholders in line with this Policy and based on the profits as per the annual financial statements.
- The dividend recommended by the Board shall be approved / declared by the shareholders at the Annual General Meeting.
- The dividend declared at the Annual general meeting shall be paid within 30 days from date of declaration to the shareholders entitled to receive the same.

2. Interim Dividend

- The Board of Directors shall have the absolute power to declare interim dividend at any time during the financial year.
- The Board shall declare interim dividend on the basis of the financial position Company and in line with the considerations of this Policy.
- The dividend so declared shall be paid within 30 days from date of declaration to the shareholders entitled to receive the same.

KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

A. FINANCIAL PARAMETERS

Dividend shall always be declared and paid in accordance with the Companies Act, 2013 and the rules made thereunder.

In computing the aforesaid, the Board may consider inter-alia the following parameters:

- i. Capital requirements including proposals for major capital expenditures
- ii. Profits earned during the financial year
- iii. Overall financial condition
- iv. Cost of raising funds from alternate sources
- v. Liquidity and cash flow position
- vi. Obligations to creditors
- vii. Post dividend EPS

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extra-ordinary profits from sale of investments etc.

B. INTERNAL & EXTERNAL FACTORS

The dividend pay-out decision depends on several internal and external factors and inter-alia includes the following:

1. INTERNAL FACTORS

- i. The current financial performance of the Company
- ii. Past performance of the Company
- iii. Free cash flow generation by the company
- iv. The reserves available with the company in case of inadequacy of profits
- v. Expansion plans for existing business
- vi. Plans for additional investments in subsidiaries / associates
- vii. Strategy for investments into additional businesses
- viii. Any other factor as may be deemed fit by the Board

2. EXTERNAL FACTORS

- i. Macroeconomic conditions
- ii. Money market conditions
- iii. Taxation and other statutory and regulatory considerations
- iv. Providing for unforeseen events and contingencies with financial implications

C. MANNER OF UTILISATION OF RETAINED EARNINGS

The profits earned by the Company can either be retained in business or distributed to shareholders. The Board may also strike a balance by retaining part of the profits and distribute the balance among shareholders in the form of dividend. The Board may decide in case of inadequacy of profits in a particular year pay-out dividend out of retained earnings of the past years giving cognizance to the rules framed in the statute in this regard. The Board may also retain earnings so as to make better use of available funds to increase the value of the business for the stakeholders in the long run. The Board may consider various factors to determine the utilization of retained earnings including, but not limited to: strategic expansion plans, diversification of business, cost of raising capital from other sources, and other factors as the Board may deem fit.

CIRCUMSTANCES UNDER WHICH DIVIDEND PAY-OUT MAY OR MAY NOT BE EXPECTED

The Board shall inter-alia consider the factors provided in this Policy at the time of determination of dividend pay-out. Dividend shall be paid in compliance with the relevant statutory requirements that are applicable to the Company. The Board shall make its decision on Dividend pay-out after taking into consideration the prospective opportunities for expansion and shall endeavour to arrive at a decision which balances the interests of the shareholders and the Company alike.

PROVISIONS FOR DIVIDEND WITH REGARD TO VARIOUS CLASSES OF SHARES

At present, the Company has only one class of shares, namely, Equity Shares. The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company shall pay dividend on such equity shares in line with this policy.

Dividend on Preference Shares and shares of other classes, if and when issued by the Company, shall be determined in accordance with the terms and conditions of issue of such shares.
