



## **TATA TELESERVICES (MAHARASHTRA) LIMITED**

**Corporate Identification Number:** L64200MH1995PLC086354

**Registered Office:** D-26, TTC Industrial Ares, MIDC Sanpada, P.O. Turbhe, Navi Mumbai – 400 703

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### **Dividend Distribution Policy**

*(Approved by the Board in the meeting held on June 1, 2021)*

#### **Background**

The Securities and Exchange Board of India ("SEBI") vide its notification dated July 8, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") by inserting a new Regulation 43A thereby mandating the top 500 listed entities (based on the market capitalization calculated as on March 31<sup>st</sup> of every financial year) to formulate a dividend distribution policy and to disclose the same in the annual report of the Company and on the Company's websites. Accordingly, the Company has formulated its Dividend Distribution Policy, which has been approved and adopted by the Directors at its Board Meeting held on June 1, 2021.

#### **Objective**

This Policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders with dividend in a fair and consistent manner and of conserving cash resources to meet the Company's growth and business exigencies. The Company shall, in line with this Policy, pay dividend which shall be consistent with the performance of the Company.

#### **Dividend Payout**

Dividend will be declared out of the relevant financial year's Profit after Tax of the Company after complying with the provisions of the Companies Act, 2013 and Rules thereunder and SEBI Listing Regulations. Only in exceptional circumstances, including but not limited to Loss after Tax in any particular financial year, the Board may consider utilizing Retained Earnings for declaration of dividend, subject to the applicable provisions of the Companies Act, 2013 (the "Act"). The Board may recommend special dividend as and when it deems fit.

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.

#### **Criteria to be considered for determining the quantum of dividend**

The Board will consider various financial, internal and external factors, including but not limited to the following before making any recommendation for dividend:

**(A) Financial Factors:**

- (a) Result of Operations
- (b) Earnings stability
- (c) Working Capital requirements and surplus
- (d) Liquidity position
- (e) Quantum of profits
- (f) Future fund requirements, including for Brand / Business Acquisitions, Expansion / Modernisation of existing business
- (g) Providing for unforeseen events and contingencies
- (h) Any other financial factor as the Board may deem fit.

**(B) Internal factors:**

- (a) Business expansion plan
- (b) Investment plans
- (c) Contractual restrictions
- (d) Contingent liabilities
- (e) Past dividend trends
- (f) Any other factor as deemed fit by the Board

**(C) External factors:**

- (a) Industry outlook and business cycles for underlying businesses
- (b) Overall economic / regulatory environment
- (c) Capital market

**Frequency of Dividend**

The Act provides for two forms of Dividend:

**Final Dividend:**

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the General Meeting of the Company.

**Interim Dividend:**

Interim dividend can be declared by the Board of Directors once or more during the financial year as may be deemed fit. The Board shall have the absolute power to declare interim dividend during the financial year, in line with this Policy, after taking into consideration the expected performance of the Company and other requirements of the Act, including depreciation for the full year and tax on profits.

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

**Circumstances under which the shareholders may not expect dividend**

- (a) Proposed expansion plans requiring higher allocation of capital.
- (b) Significantly higher working capital requirements adversely impacting free cash flow.

- (c) Whenever Company undertakes any acquisitions or investments including in joint ventures, new product launches etc., requiring significant capital outflow.
- (d) Proposal for buyback of shares.
- (e) In the event of loss or inadequacy of profits.
- (f) Past accumulated losses.

In case the Board proposes not to distribute profit, the grounds thereof and information on utilization of undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

### **Utilisation of Retained Earnings**

Retained Earnings will be used for the Company's growth plans, working capital requirements, debt repayments, issue of bonus shares, buyback of shares, declaration of dividend, other contingencies and any other permitted usage under the Act.

### **General**

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company shall pay all 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.

### **Review and Amendment**

To the extent any change/amendment is required in terms of any applicable law/Act/SEBI Listing Regulations, a Director and/or the Key Managerial Personnel of the Company shall be jointly/severally, authorised to review and amend this Policy, to give effect to any such changes/ amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes. In the event of a conflict between this Policy and the applicable regulations, the regulations shall prevail.

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