

Turtlemint Fintech Solutions Limited

DIVIDEND DISTRIBUTION POLICY

Version Control History

Version	Date	Description of Changes	Prepared/Revised By
1.0		Initial creation of the policy document.	

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1. INTRODUCTION

The dividend distribution shall be in accordance with the relevant and applicable provisions of Companies Act, 2013 (“**the Act**”), Rules framed thereunder, the Articles of Association of the Company, and other relevant legislations governing dividend distribution applicable to the Company, as in force and as amended from time to time.

2. SCOPE & OBJECTIVE

This Policy outlines the framework for dividend distribution by Fintech Blue Solutions Private Limited (hereinafter referred as “**the Company**”). It applies specifically to the distribution of net income and /or retained earnings as dividends to its Shareholders and does not cover any other forms of distribution such as reduction in share capital, share buy-back etc.

The Company is committed to enhancing corporate value through the development and expansion of its business’s activities, while also rewarding the shareholders by distributing dividends from time the Company’s profits or reserves on a periodic basis.

The objective of this Policy is to establish the key parameters the Board of Directors should consider when declaring or recommending a dividend. The Company endeavours to ensure fairness, consistency and sustainability while distributing profits to the shareholders.

The policy also specifies both the external and internal factors, including financial parameters, that shall guide while declaring dividends. It outlines the circumstances under which the shareholders of the Company may or may not expect dividend, as well as how the retained earnings will be utilised. Depending on the long-term growth strategy of the Company and the prevailing circumstances, the Board may consider a higher dividend payout ratio, while trying to ensure that sufficient funds are retained for growth of the Company.

The Board of Directors may declare interim dividends based on the cash flow of the Company.

The Policy further sets out the circumstances and factors for consideration by the Board at the time of taking a decision on distribution of or retention of profits, ensuring transparency in the decision-making process for shareholders.

The Board has adopted a progressive dividend policy, which under normal circumstances, will be previous year’s actual paid dividend as a floor ensuring a sustainable increase in dividends aligned with the Company's growth and long-term objectives.

3. DIVIDEND DISTRIBUTION FRAMEWORK

The decision regarding dividend shall be taken only by the Board of Directors at its Meeting and final dividend shall be paid only after the approval of shareholders at an Annual General Meeting (AGM) of the Company.

The Board shall consider the following parameters while declaring dividend or recommending dividend to shareholders:

a) Circumstances under which the shareholders may or may not expect dividend

The Company aims to offer maximum return on investment to the shareholders keeping in mind the growth and future prospects. The Board of Directors, while declaring or recommending a dividend, shall ensure compliance with all statutory requirements under applicable laws, including the provisions of the Companies Act, 2013 and Listing Regulations, applicable to the Company. When determining the dividend to be declared or recommended, the Board of Directors will consider the advice of the executive management, planned investments for growth, and other factors outlined in this policy.

However, the Board may consider not to declare a dividend or declare a lower rate based on the following:

- Prospective growth opportunities, threats, or concerns of the Company;
- Insufficient or absent profits;
- Higher working capital requirements for business operations.

b) Financial parameters including Internal and External Factors that may be considered while declaring dividend

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits of the Company;
- Retained earnings
- Past dividend pattern;
- Major capital expenditure to be incurred by the Company;
- Cash flow requirements of the Company;
- Acquisition & divestitures of any business, merger, restructuring etc.
- Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company;
- Debt-equity ratio of the Company;
- Cost of borrowing of the Company, keeping in view the growth opportunities;
- Debt obligations of the Company;
- Investments in new business;
- Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- Reputation of the Company
- Any other relevant factors and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Regulatory requirements
- Economic environment
- Political/geographical situations
- Competition or client related risks
- Inflation rate
- Macro-economic factors
- Providing for any contingencies
- Industry Outlook for future years.

- Any other relevant factors and material events

c) Policy as to how retained earnings will be utilized

The Company will utilize retained earnings in a manner that benefits both its interests and those of its shareholders. These earnings may be allocated for investments in future growth, expansion, or other specific purposes approved by the Board of Directors. Retained earnings will primarily be used to strengthen the Company's financial position. Additionally, points mentioned under point 4(a) and 4(b) shall also influence the utilization of the retained earnings.

d) Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares, namely equity shares. The dividend parameters for any future classes of shares will be determined based on the respective terms of issue and applicable regulations, should the Company decide to issue other classes of shares.

The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

The above listing is merely directional in nature and not exhaustive by any means. The Board may take cognizance of the above factors in conjunction with each other &/or consider any other factor(s) beyond the above listing, as it deems fit in the interest of the shareholders' while proposing the profit distribution.

4. APPROVAL PROCESS

The decision regarding dividend shall be taken only by the Board at its Meeting and not by a Committee of the Board or by way of a resolution passed by circulation.

Final dividend shall be paid only after approval at an Annual General Meeting of the shareholders. Shareholder approval is not required for payment of interim dividend.

5. AMENDMENTS TO THE POLICY

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

6. INTERPRETATION

In case of any conflict between the provisions of this Policy and of the statutory provisions, the statutory provisions shall prevail over this Policy. Any subsequent amendment/ modification in the statutory provisions shall automatically apply to this Policy.

7. POLICY REVIEW

This Policy will be reviewed periodically by the Board and amended as appropriate. Any changes or revisions to the policy will be communicated to shareholders in a timely manner. The Policy will be available on the Company's website and disclosed in the Company's Annual report.

8. EFFECTIVE DATE

This Policy has been approved and adopted by Board of Directors at their meeting held on _____.

9. DISCLAIMER

The Policy does not constitute a binding commitment with respect to future dividend distributions but serves only as general guidance regarding the Company's dividend strategy. Nothing in the Policy shall limit or restrict the discretion of the Board in recommending the dividend to be declared in any given financial year, and the Board expressly reserves the right to deviate from the Policy as it deems necessary, in accordance with prevailing circumstances and subject to the applicable laws and regulations.

In light of the aforementioned uncertainties, prospective and current investors are hereby cautioned against placing undue reliance on any forward-looking statements contained in the Policy.