

DIVIDEND  
DISTRIBUTION  
POLICY

*TCI Express  
LIMITED*

## **INTRODUCTION:**

Dividend Distribution Policy (the “**Policy**”) will regulate the process of dividend declaration and its pay-out by TCI Express Limited (the “**Company**”) in accordance with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on Dividend Distribution has been formulated and approved by the Board of Directors at its meeting held on May 22, 2019,

## **PREAMBLE:**

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be booked in business or used for acquisitions, growth or expansion, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the residual among its shareholders as dividend. This Policy aims to reconcile between all these requirements.

The Policy shall not apply to:

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

## **DEFINITIONS:**

- a) ‘**Act**’ means the Companies Act, 2013 & Rules made thereunder, including any amendments or modifications thereof.
- b) ‘**Board of Directors**’ or ‘**Board**’ means the collective body of the Directors of the Company.
- c) ‘**Company**’ mean TCI Express Limited.
- d) ‘**Dividend**’ shall mean Dividend as defined under the Companies Act, 2013.
- e) ‘**Policy**’ means, ‘Dividend Distribution Policy’.
- f) ‘**SEBI Regulations**’ shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

## **PARAMETERS FOR DECLARATION OF DIVIDEND:**

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

### **A. FINANCIAL PARAMETERS/INTERNAL FACTORS:**

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required for business expansion;
- Cash flow required to meet eventualities;
- Outstanding borrowings; and
- Past Dividend trends;
- Any other factor and/or material events as considered fit by the Board.

## **B. EXTERNAL FACTORS:**

The Board would consider the following external factors before declaring or recommending dividend to shareholders:

- **State of Economy**- In case of uncertain or in depressing economic and industry conditions, Board will strive to reserve larger part of profits to build up reserves to absorb future shocks.
- **Capital Markets**- When the markets are favorable, dividend payout can be liberal. However, in case of critical market conditions, Board may resort to a conservative dividend payout in order to preserve cash outflows.
- **Statutory Restrictions**- the Board will keep in mind the limits imposed by the Act with regard to declaration of dividend.
- **Government Policies**- Changes in Government policies, regulatory provisions and tax rates.
- **Competitive Environment**- Any changes in the competitive environment requiring significant investment.

## **CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:**

The shareholders of the Company may not expect Dividend under the following circumstances:

- Significantly higher working capital requirements adversely impacting free cash flow;
- When the Company undertakes any acquisitions or joint ventures requiring substantial allocation of capital;
- When the Company commences or proposes to commence a significant expansion project requiring higher allocation of capital;
- When the Company proposes to apply surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has suffered losses.

## **UTILISATION OF RETAINED EARNINGS:**

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy and in compliance with Section 123 of the Act.

## **PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:**

The Company has only equity shares and does not currently have any other class(s) of share(s).

## **DISCLOSURES:**

The Company shall make such disclosures on its website, in the Annual Report and at such other places as may be required under the Act and SEBI Regulations and such Acts, Rules and Regulations as may be applicable on the Company from time to time including any amendments thereto.

## **AMENDMENTS:**

The Board of Directors may amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions given in this Policy and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.