



TATVA CHINTAN PHARMA CHEM LIMITED
DIVIDEND DISTRIBUTION POLICY

Name of Document	DIVIDEND DISTRIBUTION POLICY
Version	1.0
Policy/Code/Manual/Other	Policy
Effective date of document	13-03-2021

1. BACKGROUND AND APPLICABILITY:

Regulation 43A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, which was notified vide Notification dated July 08, 2016 provides that top One Thousand listed entities based on their market capitalization calculated as on 31st day of March of every Financial Year shall formulate a Dividend Distribution Policy and weblink of such policy shall be disclosed in the annual reports and on the websites of such Company The Board of Directors (“Board”) of Tatva Chintan Pharma Chem Limited (“Company” or “TCPCL”) has adopted this Dividend Distribution Policy to comply with these requirements.

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

2. DIVIDEND DISTRIBUTION PHILOSOPHY:

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

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 retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.

3. FORMS OF DIVIDENDS:

Interim Dividend

The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.

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 Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Special Dividend

The Board may declare/recommend special dividend as and when it deems fit.

4. STATUTORY AND REGULATORY PARAMETERS:

The Company shall declare dividend only after ensuring compliance with the requisite regulations and directions as stipulated under the provisions of the Companies Act, 2013 and rules made thereunder, SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, other SEBI regulations and any other regulations as may be applicable from time to time.

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities, government policies & regulations and other relevant factors (as mentioned elsewhere in this policy) and accordingly declare dividend in any financial year.

The shareholders of the Company may not expect dividend under certain circumstances including the following,

- In the event of inadequacy of profits or whenever the Company has incurred losses;
- Significant cash flow requirements towards higher working capital requirements / tax demands / or others , adversely impacting free cash flows;
- An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- Allocation of cash required for buy-back of securities;
- Any of the internal or external factors restraining the Company from considering dividend.

6. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

- Current year's Profit/ Inadequacy of profit
- Accumulated reserves
- Distributable surplus available as per the various Acts and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Capital expenditure requirements considering the expansion and acquisition opportunities

- Cost and availability of alternative sources of financing
- Funds requirement for contingencies and unforeseen events with financial implications
- Capital market scenario
- Shareholders expectations
- Government Policies
- Macro- economic conditions
- Stipulations/ Covenants of loan agreements
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- Payout ratios considering probabilities of its consistency in coming time
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

7. UTILIZATION OF RETAINED EARNINGS:

Retained earnings shall be utilized in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board of Directors of the Company. The Company shall endeavor to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

8. PARAMETERS WITH REGARD TO VARIOUS CLASSES:

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

9. CONFLICT IN POLICY:

In the event of a conflict between this policy and the existing statutory regulations, the statutory regulations will prevail.

10. MODIFICATION OF THE POLICY:

The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI and other Regulations, etc.

11. REVIEW AND DISCLOSURE OF POLICY:

The Board may review the Dividend Distribution Policy of the Company periodically. The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.tatvachintan.com.

