

TCPL Packaging Limited

CIN:- L22210MH1987PLC044505

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Website:-www.tcpl.in

DIVIDEND DISTRIBUTION POLICY

The equity shares of TCPL Packaging Limited (TCPL/ Company) is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. As per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2015 notified on 5th May 2012, the top 1000 (One Thousand) listed Companies based on market capitalization (calculated as on 31st March every year) need to formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and on the website of the Company.

TCPL is amongst the top 1000 listed entities as per the market capitalization criteria and has accordingly formulated its Dividend Distribution Policy. The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

Dividends are generally recommended by the Board once a year, after the announcement of Annual Audited Accounts and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company's objectivity of the Dividend policy is to appropriately reward shareholders through dividends and also to support the future growth of the Company.

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and considering optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio around 20% of the Consolidated Profits after Tax (PAT) of the Company.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY NOT EXPECT DIVIDEND.

The Board of Directors of the Company may abstain from declaring any dividend / lower percentage of dividend in a particular financial year, if they are of the view that the retained earnings / funds through internal accruals should be conserved / better utilised for the following purposes:

- a. Operation of Law or any other law in force
- b. Conservation of resources for any unforeseen circumstances
- c. Losses, if any, incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year.
- d. Restrictions and covenants contained in any agreement as may be entered with the Lenders.
- e. Such other purposes, as the Board may think appropriate from time to time to maintain /enhance its competitive advantage.

In case the Board of Directors abstains from declaring dividend, a justification thereof shall be provided to the shareholders in the Directors Report

INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

Internal Factors:

- a. Internal budgets, Capex Plans, strengthening of working capital position
- b. Cash flow position of the Company
- c. Funds required to service any outstanding loans

External Factors:

- a. Changes in Business cycles
- b. Any significant changes in macro-economic environment affecting India or the geographies in which the clients / customers of the Company operate.
- c. Any significant change in the business resulting in the Company making significant investments to effect the necessary changes to its business model
- d. Cost of external financing
- e. Applicable taxes including tax on dividend
- f. Industry outlook for the future years
- g. Inflation rate, and
- h. Changes in the Government policies, industry specific rulings & regulatory provisions.
- i. Political instability, unforeseen circumstances / various calamities.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report

RETAINED EARNINGS

The retained earnings of the Company may be used in any of the following ways:

- a. Capital expenditure
- b. Margin for the working capital
- c. Additional investment in existing business(es),
- d. Capitalization of shares
- e. Buy back of shares
- f. General corporate purposes, including contingencies
- g. Correcting the capital structure
- h. Any other permitted usage as per the Companies Act, 2013.

CLASSES OF SHARES

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs.10 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date

The policy is available on the Company's website and the link to the policy is: <http://www.tcpl.in>