

**TIRUPATI FORGE LIMITED**  
**CIN: L27320GJ2012PLC071594**



**DIVIDEND DISTRIBUTION POLICY**

## 1. PREAMBLE:

As per the provisions of Regulation 43A of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, the Company is not required to formulate and disclose its Dividend Distribution Policy. However, for better governance practices, the Board of Directors (the “Board”) of Tirupati Forge Limited (the “Company”) had approved the Company’s Dividend Distribution Policy.

In the endeavor to provide more clarity to stakeholders on the Company’s dividend distribution framework, this revised Dividend Distribution Policy (“Dividend Policy”) has been framed for adoption by the Board of the Company. This Dividend Policy shall supersede the earlier policy and shall be effective from April 21, 2022.

## 2. DIVIDEND DISTRIBUTION PHILOSOPHY AND OBJECTIVE:

This Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth. The management endeavors to divide ‘net earnings’ into dividends and retained earnings in an optimum way to achieve the objective of wealth maximization for shareholders.

## 3. DIVIDEND:

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

## 4. PARAMETERS FOR DECLARATION OF DIVIDEND:

External and Internal factors (strategic and financial) that would be considered for declaration of dividend includes:

<b>External Factors</b>	<b>Internal Factors</b>
<ul style="list-style-type: none"><li>● State of Economy in case of uncertain or recessionary economic and business conditions;</li></ul>	<ul style="list-style-type: none"><li>● Distributable surplus available and liquidity position of the Company;</li></ul>
<ul style="list-style-type: none"><li>● Market conditions and consumer trends;</li></ul>	<ul style="list-style-type: none"><li>● Present &amp; future capital requirements of the existing businesses including any acquisition;</li></ul>
<ul style="list-style-type: none"><li>● Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;</li></ul>	<ul style="list-style-type: none"><li>● Expansion / Modernization of existing businesses;</li></ul>
<ul style="list-style-type: none"><li>● Statutory Obligations, Government Regulations and Taxation policies;</li></ul>	<ul style="list-style-type: none"><li>● Outstanding Borrowings and covenants thereof;</li></ul>
<ul style="list-style-type: none"><li>● Dividend pay-out ratios of companies in the same industry; and</li></ul>	<ul style="list-style-type: none"><li>● Likelihood of crystallization of contingent liabilities, if any; and</li></ul>
<ul style="list-style-type: none"><li>● Other external factors.</li></ul>	<ul style="list-style-type: none"><li>● Other internal factors.</li></ul>

**Circumstances under which shareholders may not expect a dividend includes:**

- Adverse market conditions & business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance;
- Large forthcoming capital requirements which are funded through internal accruals;
- Changing Government regulations; and
- Any other relevant circumstances.

Even under such (unfavourable) circumstances, the Board may, at its sole discretion, and subject to applicable rules, choose to recommend a dividend, including out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 and SEBI Listing Regulations, as may be applicable.

**5. DIVIDEND PAYOUT:**

The Board would endeavour to pay a **Dividend pay-out in the range of 5-10 %** of the Company's Profit after Tax on standalone financials. However, the Board, at its sole discretion, may pay dividend which is higher or lower than this dividend pay-out range.

The Board may also consider declaring or recommending special dividends or one or more Interim dividends during the year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the Annual General Meeting.

The date of the Board meeting in which the dividend proposal will be considered shall be intimated to the stock exchanges and post-board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the SEBI Listing Regulations.

**6. UTILISATION OF RETAINED EARNINGS:**

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding Inorganic and Organic Growth needs including working capital requirement, capital expenditure, repayment of the debt, etc. The Company can consider venturing into new markets/geographies/verticals;
- Research and Development of new products, investment in emerging technologies, etc. to increase market share;
- Capital Expenditure by way of state of art factories, technology upgradation, platform development, etc.

- Mergers and acquisitions;
- Buyback of shares subject to applicable limits;
- Payment of dividends in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose.

#### **7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:**

The Company has only one class of shares at this point.

#### **8. DIVIDEND POLICY EXCLUSION:**

The Dividend Policy shall not be applicable in the following circumstances:

- a) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.
- b) Distribution of dividend in kind i.e. by the issue of fully or partly paid bonus shares or other securities.
- c) Determination and declaring dividends on preference shares, if any.

#### **9. DISCLOSURES:**

The Dividend Policy shall be disclosed on the website of the Company i.e., [www.tirupatiforge.com](http://www.tirupatiforge.com).

#### **10. REVIEW AND AMENDMENT:**

Any or all provisions of this Dividend Policy would be subject to the revision/amendment to the SEBI Listing Regulations or related circular, notification, guidance notes issued by the Securities and Exchange Board of India or relevant authority, on the subject from time to time.

Any such amendment shall automatically have the effect of amending this Dividend Policy without the need for any approval by the Board or any of its Committees. This Dividend Policy is subject to review from time to time.

#### **11. DISCLAIMER:**

This Dividend Policy neither solicits investment in the Company's securities nor gives any assurance of guaranteed returns (in any form) for investments in the Company's equity shares.