



THEJO ENGINEERING LIMITED

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DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

The Dividend Distribution Policy is framed pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], as amended from time to time.

2. OBJECTIVE

The objective of this policy is to provide clarity to the shareholders on the external and internal factors, including the financial parameters that would be considered by the Board of Directors, while deciding on the recommendation / declaration of dividend on Equity Shares from time to time.

3. DEFINITIONS

- (a) “Act” means The Companies Act, 2013 and the Rules made thereunder including any amendments or modifications or re-enactment thereof for the time being in force.
- (b) “Board” or “Board of Directors” means collective body of Directors of the Company.
- (c) “Company” means Thejo Engineering Limited
- (d) “Dividend” includes interim dividend.
- (e) “Paid-up share Capital” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares by whatever name called.
- (f) “Policy” means Dividend Distribution Policy.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

The Company shall pay dividend in compliance with the provisions of the Act read with Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI LODR Regulations, 2015 and any other applicable Regulations for the time being in force, including any amendment or re-enactment thereof.

5. FACTORS TO BE CONSIDERED WHEN DECLARING DIVIDEND

The decision to determine whether or not to declare dividend or to determine the quantum of dividend to be declared shall be considered by the Board of Directors based on various factors, both internal and external, including but not limited to the following:

a) FINANCIAL PARAMETERS & INTERNAL FACTORS

- Profits earned during the financial year and overall performance of the Company.
- Cash flow position of the Company.
- Accumulated Reserves.
- Leverage profile and Capital adequacy.
- Funds requirement for future capital expenditure, any organic / inorganic growth plans and reinvestment opportunities.
- Contingent Liabilities.
- Past Dividend trends.

b) EXTERNAL FACTORS

- Overall economic environment.
- Future outlook for the Company and the Industry.
- Legal / Regulatory Framework and Government Policy.
- Quantum of Dividend pay-out by peers in the Industry.
- Shareholders' expectations.

6. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus profits after providing for all expenses, depreciation and other necessary deductions and after complying with all other statutory provisions of the Companies Act, 2013 and other applicable laws.

The Equity Shareholders of the Company may not expect dividend if

- the Company does not have surplus funds after providing for all expenses, depreciation, or other necessary deductions and after complying all other statutory provisions of the Companies Act, 2013 and other applicable laws.
- the internal and external factors specified above warrant full retention of the surplus profit.
- there is pressure on cash flows on account of various factors such as higher working capital expenditure / tax demands and / or other reasons.

- there is any impending/ ongoing projects /greater capital budgeting requirements / acquisitions or investment in joint ventures requiring significant allocation of capital.

The internal and external factors specified above shall be a crucial factor for taking a dividend declaration decision and determining the dividend distribution amount.

7. UTILIZATION OF RETAINED EARNINGS

The Company shall endeavour to utilize its retained earnings for its expansion plans, working capital requirements, debt repayments, modernization plans, investments, corporate actions, *inter alia*, buy back and reduction of capital and/or such other purposes as approved by the Board of Directors, which shall be beneficial to the Company and its Stakeholders.

8. VARIOUS CLASSES OF SHARES

The Company has only one class of equity share. Each Equity Share has a face value of Rs.10/- each. In case of issue of new class of shares in future, the Policy will be reviewed accordingly.

9. GENERAL

The Company shall strive to be a consistent dividend paying company in line with the parameters stated above.

This Policy will be subject to any revision / amendment in compliance with any regulatory requirements.

In the event of any conflict between this Policy and the Regulations, the Regulations shall prevail.

This Policy (as amended from time to time) shall be disclosed on the Company's website and published / provided with web link in the Annual Report in line with prevailing statutory requirements.

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