

# Annexure 1 to Director's Report - Dividend Distribution Policy

## Objective

The objective of this Policy document is to articulate Thangamayil Jewellery Limited's Dividend Distribution Policy. This Policy applies to all types of Dividend declared or recommended by the Board of Directors of the Company and seeks to conform to the requirements of Section 123 of the Companies Act, 2013, the notified rules thereof and other such provisions.

### 1. Philosophy

At Thangamayil Jewellery Limited we respect, and are committed to, our role towards shareholders and meeting our obligations to the communities in which we do business. We believe that sustainable growth can be achieved by creating wealth and jobs, developing useful skills, and investing time and money in people. Thangamayil Jewellery Limited aims to share its prosperity with the shareholders by way of declaring dividend subject to liquidity and growth requirement.

### 2. The Regulatory Framework

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 Listed Companies in India as per Market Capitalisation as in the preceding Financial Year shall formulate a dividend distribution policy. Thangamayil Jewellery Limited falls within the list of Top 1000 Listed Companies.

### 3. Definitions

Unless repugnant to the context:

- 3.1. "Act" shall mean the Companies Act, 2013 including the Rules made thereunder.
- 3.2. "Company or Thangamayil Jewellery" shall mean Thangamayil Jewellery Limited
- 3.3. "Chairman" shall mean the Chairman of the Board of Directors of the Company.
- 3.4. "Board" or "Board of Directors" shall mean Board of Directors of the Company.
- 3.5. "Dividend" shall mean Dividend as defined under Companies Act, 2013 or SEBI Regulations.
- 3.6. "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any

statutory modifications or re-enactments thereof for the time being in force.

### 4. Policy

#### 4.1. Frequency of payment of dividend:

4.1.1. Thangamayil Jewellery Limited believes in rewarding its shareholders as and when the funds are available for distribution as dividend and generally strive to recommend Final Dividend to the Members at the Annual General Meeting of the Company.

#### 4.2. Internal and external factors that would be considered for declaration of dividend:

4.2.1. Thangamayil Jewellery Limited considers several Internal and External Factors before deciding declaration or recommendation of dividend.

4.2.2. The Internal Factors are adequacy of profits for last three years and likely profits for next year, allocation of funds towards capital expenditure and working capital requirements.

4.2.3. The External Factors that would impact dividend pay out are alternative investment opportunities, interest rate on surplus funds, taxation on distribution of dividend and dividend pay out ratios of comparable companies.

#### 4.3. The financial parameters that will be considered while declaring dividends:

4.3.1. In order to maximise corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and Capital Investments, which are vital to future business expansion.

4.3.2. After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.

#### 4.4. The circumstances under which the shareholders can or cannot expect dividend:

In an event where Company has undertaken a significant project requiring higher allocation of capital or in event where the company's profits are

inadequate or company makes losses, the Company would like to use the Company's reserves judiciously and not declare dividend or declare dividend lower than its normal rate of dividend.

- 4.5. Policy as to how the retained earnings will be utilized:
- 4.5.1. The Company would like to retain the balances in Reserves and Surplus to give the required strength to the balance sheet for exploring leverage options for supporting growth.
- 4.5.2. The Company would be very cautious in declaring dividend out of past profits and reserves.
- 4.6. Transfer of Profits to Reserves:  
The Company will not transfer any amount to reserves unless there is statutory requirement.
- 4.7. Provisions regarding class of shares:  
Currently, the Company has issued only Equity Shares and this Policy shall be applicable to Equity Shares. As and when the Company issues other kind of shares, the Board shall amend this Policy along with Rationale at the time or before issue of other class of shares.

## 5. Procedure

- 5.1. The Board of Directors of the Company will analyze all the parameters and recommend appropriate dividend.
- 5.2. The Company Secretary & Compliance Officer of the Company shall ensure compliance of Insider Trading Rules of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5.3. The Board of Directors shall approve the declaration or recommendation of Dividend after ensuring compliance of Act, SEBI Regulations and this Policy.
- 5.4. The Company shall ensure compliance of provisions of Act, SEBI Regulations and this Policy in relation to dividend.

## 6. Distribution of Dividend

- 6.1. Periodicity:  
On Completion of Financial Year The Board of Directors of the Company may recommend a Dividend for respective financial year and may be declared in the Annual General Meeting. On some occasion board may declare interim dividend also based on the performance of the company from time to time and

the same to be ratified subsequently in the AGM to be held on 25th July 2024.

### 6.2. Dividend Entitlement

The members, whose names appear in the register of members as on the record date / Book Closure, shall be entitled for the dividend.

### 6.3. Mode of Payment

The payment of the dividend would be in cash:

- i. Through electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. for making payment of dividend. OR
- ii. Through issuance of 'payable-at-par' warrants/cheques, in case where bank details are not available or the electronic payment instructions have failed or have been rejected by the bank,

### 6.4. Transfer to IEPF

The dividend remained unpaid and unclaimed for a period of 7 years (as per the provisions of Section 124(5) of the Companies Act, 2013) shall be transferred to Investors Education and Protection Fund set up by the Government in that regard.

## 7. General

- 7.1. This Policy would be subject to revision / amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs and/or Securities Exchange Board of India from time to time, on the subject matter.
- 7.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 7.3. 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 hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.