

DIVIDEND DISTRIBUTION POLICY (Version 2.0)

<p>OBJECTIVE</p>	<p>The policy provides the underlying philosophy, rationale and guidelines to distribute the surplus generated by the company, among its shareholders by way of cash Dividends including interim dividends.</p> <p>The Policy shall not apply to:</p> <ol style="list-style-type: none"> Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders; Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law; Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares. 				
<p>REGULATORY FRAMEWORK</p>	<p>In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with requirements the Companies Act 2013 and Rules thereof, the Board at its meeting held on 4th November 2016 adopted the Dividend Distribution Policy, the same has been amended by the Board at its meeting held on 25th May 2021.</p>				
<p>DEFINITIONS</p>	<ol style="list-style-type: none"> ‘Act’ means the Companies Act, 2013 & Rules made thereunder, including any amendments or modifications thereof. ‘Board of Directors’ or ‘Board’ means the collective body of the Directors of the Company. ‘Company’ mean Transport Corporation of India Ltd. ‘Dividend’ shall mean Dividend as defined under Companies Act, 2013. ‘Policy’ means, ‘Dividend Distribution Policy’. SEBI Regulations’ shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force. 				
<p>PARAMETERS FOR DECLARATION OF DIVIDEND</p>	<p>In distributing the profits of the company among the shareholders, the Board will seek to balance shareholders need for reasonable and predictable return on their investment, with the company’s funding requirements for longer- term sustainable growth;</p> <table border="1" data-bbox="407 1430 1523 1982"> <thead> <tr> <th data-bbox="407 1430 964 1465">Internal Factors</th> <th data-bbox="964 1430 1523 1465">External Factors</th> </tr> </thead> <tbody> <tr> <td data-bbox="407 1465 964 1982"> <ul style="list-style-type: none"> • Net Profit after tax in comparison to past years • Accumulated Reserves • Operating cash flows and Net Cash flow • Return on Capital Employed • Current and future Capital requirements • Business Expansion and modernization • Merger & Acquisitions • Investments in JV and subsidiaries • Current and future Borrowing levels </td> <td data-bbox="964 1465 1523 1982"> <ul style="list-style-type: none"> • Economic conditions/Business cycles • Industry outlook for future • Statutory requirements , regulatory conditions or restrictions • Taxation Aspects • Dividend pay-out of comparable companies • Expectations of major shareholder including small shareholders </td> </tr> </tbody> </table>	Internal Factors	External Factors	<ul style="list-style-type: none"> • Net Profit after tax in comparison to past years • Accumulated Reserves • Operating cash flows and Net Cash flow • Return on Capital Employed • Current and future Capital requirements • Business Expansion and modernization • Merger & Acquisitions • Investments in JV and subsidiaries • Current and future Borrowing levels 	<ul style="list-style-type: none"> • Economic conditions/Business cycles • Industry outlook for future • Statutory requirements , regulatory conditions or restrictions • Taxation Aspects • Dividend pay-out of comparable companies • Expectations of major shareholder including small shareholders
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<p>CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND</p>	<p>The shareholders of the Company may not expect Dividend under the following circumstances:</p> <ul style="list-style-type: none"> • Significantly higher working capital requirements adversely impacting free cash flow; • When the Company undertakes any acquisitions or joint ventures requiring substantial allocation of capital; • When the Company commences or proposes to commence a significant expansion project requiring higher allocation of capital; • When the Company proposes to apply surplus cash for buy-back of securities; or In the event of inadequacy of profits or whenever the Company has suffered losses in fiscal year; • Operation of any law in force which restrict payment of dividend in future; • Any restrictions and covenants contained in agreement as may be entered with the Lenders. <p>Under above circumstances, The Board may at its discretion and subject to Section 123 of the “Act” , choose to approve /recommend a dividend out of Company’s past “Reserves & Surplus”</p>
<p>UTILISATION OF RETAINED EARNINGS</p>	<p>The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:</p> <ul style="list-style-type: none"> • Higher Capex and expansion plans • Mergers and acquisitions • Long term strategic plans • Where the cost of debt is expensive <p>Other such criteria as the Board may deem fit from time to time.</p>
<p>PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES</p>	<p>The Company has only equity shares and does not currently have any other class(s) of share(s). If Company issues multiple classes of shares, the parameters of this policy will be appropriately addressed.</p>
<p>DISCLOSURES</p>	<p>The Company shall make such disclosures on its website, in the Annual Report and at such other places as may be required under the Act and SEBI Regulations and such Acts, Rules and Regulations as may be applicable on the Company from time to time including any amendments thereto.</p>
<p>POLICY REVIEW</p>	<p>The Board of Directors may amend this Policy, as and when deemed fit.</p> <p>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 given in this Policy and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) Etc.</p>