TANVI EXPORTS INDIA LIMITED
Dividend Distribution Policy

1. Background and applicability

Regulation 43A of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") mandated the top 1000 listed entities based on market capitalization (calculated on March 31 of every financial year) to formulate Dividend Distribution Policy which web-link shall be disclosed in the annual report and also on the corporate website.

Considering the provisions of the said Regulation 43A, the Board of Directors ("Board") of Tanvi Exports India Limited recognizes the need to strengthen the Corporate Governance in the Company by adopting the Dividend Distribution Policy voluntarily.

The policy, in the interest of providing transparency to the shareholders, sets out the circumstances and different factors for consideration by the Board at the time of deciding on distribution or of retention of profits. In view of the said requirement, the Board of the Company recognizes the need to lay down a broad framework with regard to the distribution of dividend to its shareholders and utilization of the retained earnings. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company.

The Company would ensure to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes. The Board will have regards to this policy while declaring/recommending dividends on the behalf of the Company. Through this policy, the Company would strive to maintain a consistent approach to dividend pay-out plans.

The Board of Tanvi Exports India Limited ("Company") has approved and adopted this Dividend Distribution Policy to voluntarily comply with the requirement of this Regulation.

The policy shall become effective from the date of its approval by the Board i.e September 16, 2026.

The Company currently has only one class of shares, viz. Equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

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2. Dividend distribution philosophy:

The Company is committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns through an appropriate capital strategy for both medium term and longer-term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. Dividend:

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

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) or out of the Reserve in accordance with provisions of the Act and Regulations, as applicable.

4. Circumstances under which shareholders can expect Dividend:

The Board will assess the Company's financial requirements, including present and future growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

a. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
b. Significantly higher working capital requirements adversely impacting free cash flow;
c. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
d. In the event of inadequacy of profit or whenever the Company has incurred losses; and
e. Utilization of surplus cash for buy-back of securities.

5. Interim and Final Dividend:

The Board may declare 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, will be provided to the stock exchanges, as required under Listing Regulations, if applicable.

6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

Below are the internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations;
- The Company's liquidity position and future cash flow needs;
- Track record of Dividends distributed by the Company;
- Pay-out ratios of comparable companies;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations/ Covenants of loan agreements;
- Macroeconomic and business conditions in general;
- Providing of unforeseen event and contingency with financial implications; and
- Any other relevant factors that the Board may deem fit to consider before declaring dividend

7. Policy on utilization of retained earnings:

The Company may utilize the retained earnings for issue of fully paid bonus shares, buy back of shares, restructuring events including mergers and acquisitions, other general factors specified in this policy and for such other purposes as may be statutorily permissible.

8. Parameters adopted with regard to various classes of shares:

a) At present, the issued, subscribed and paid-up share capital comprises only one class of equity shares.
b) The payment of dividend shall be based on the respective rights attached to each class of shares as their terms of issue.
c) The dividends shall be paid out of the Company's distributable profits and/or general reserves and from such other reserves as may be statutorily permissible and shall be allocated among shareholders on a pro-rate basis according to the number of each type and class of shares held and paid-up.

9. The Policy shall not apply to:

- Determination and declaring dividend on preference shares, if any to be issued by the Company at a later date, as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, for instance- 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.

10. Amendments to the Policy

This policy may be amended by the Chairman of the Company or Managing Director of the Company at any time either Suo moto and/or pursuant to amendments to the LODR Regulations or such other law, rules, regulations, standards, guidelines as applicable. If there is any amendment to the policy, this policy will be deemed to have been amended and such amendment will take effect from date of the approval of such amendment.