



**DIVIDEND DISTRIBUTION POLICY
OF
BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**

BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED

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1. Scope and Purpose

The equity shares of Bhagiradha Chemicals and Industries Limited (‘the Company’) are listed on the BSE Limited and National Stock Exchange of India Limited (NSE). Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The top 1000 listed entities based on market capitalization shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports

The Board of Directors of the Company (‘the Board’) has approved the Dividend Distribution Policy of the Company (‘the Policy’) which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders.

2. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

3. Philosophy

The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilize its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

4. Parameters for declaration of Dividend

The factors considered while arriving at the quantum of dividend(s) are:

Frequency	Dividend will generally be declared once a year after the announcement of full year results at the Annual General Meeting. In years of exceptional gains or other events a special dividend may be declared.
Internal and External Factors	When determining the annual dividend, the Company will consider, amongst other matters: <ul style="list-style-type: none">• The level of dividends paid historically• Current year profits and outlook in line with the development of internal and external environment and business operations• Providing for anticipated capital expenditures or acquisitions, to further enhance shareholder value or meet strategic objectives• Retaining earnings to provide for contingencies or unforeseeable events• The overall economic environment• Changes in the cost and availability of external financing



	<ul style="list-style-type: none"> • Changes in government policy, industry rulings and regulatory provisions • Operating cash flows and treasury position keeping in view the total debt to equity ratio. • Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders. • Providing for unforeseen events and contingencies with financial implications.
Financial Parameters	Subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Based on the above, the Company will endeavor to maintain the steady level of dividend per share over the medium term.
Utilization of retained earnings	<ul style="list-style-type: none"> • Capital expenditure • Organic/Inorganic growth • General corporate purposes, including contingencies • Investments in the new/existing business • Any other permitted use under the Companies Act, 2013
Dividend Range	Pursuant to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also optimal shareholder return.
dividend pay-out	The Company shall endeavor to maintain a dividend pay-out ratio, not exceeding 30% of the distributable profits available for the Company in any financial year, unless warranted by special circumstances

The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.



5. Circumstances under which the shareholders may or may not expect Dividend

The shareholders of the Company may not expect Dividend under the following circumstances:

- Proposed expansion plans requiring higher capital allocation
- Significantly higher working capital requirements adversely impacting free cash flow;
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which require significant capital outflow;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

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

- At present, the issued and paid-up share capital of the Company comprises only equity shares and the dividend would be declared on equity shares.
- As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

7. Disclosure:

The Dividend Distribution Policy shall be placed on the website of the Company at <https://www.bhagirad.com/>

8. Amendment

This Policy would be subject to modification in accordance with the guidelines/clarifications as may be issued from time to time by relevant statutory and regulatory authority.

The Board may as it deems fit amend this policy from time to time. In the event of any conflict between this Policy and the statutory provisions contained in the Listing Regulations or the Companies Act, 2013, the said statutory provisions shall prevail.

This Policy is reviewed and updated by the Board at its meeting dated 13.02.2025

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