

## **DIVIDEND DISTRIBUTION POLICY**

**OF**

### **BELRISE INDUSTRIES LIMITED**

(Formerly Known as Badve Engineering Limited)

**CIN: U73100MH1996PLC102827**

This policy applies to the distribution of dividend by Belrise Industries Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”) as may be made applicable on the Company.

The Board of Directors (“Board”) of the Company at its meeting held on 12<sup>th</sup> August, 2023 has approved and adopted the Dividend Distribution Policy (“Policy”). The Policy shall become effective from 1<sup>st</sup> April 2023.

#### **Definitions**

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the Listing Regulations.

#### **Background**

The Company debt securities are listed on the BSE Limited and in order to have better Corporate Governance the Company has adopted the policy.

Further, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandated formulation of Dividend Distribution Policy to the Company(s) whose securities are listed on the Stock Exchanges. The policy shall be disclosed in the annual report and on the website of the Company.

This policy sets out the parameters and circumstances that will be considered by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and or retaining profits earned by the Company.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for the growth of the Company. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions. The Policy shall not apply to determination and declaration of Dividend on preference shares as the same will be as per the terms of issue approved by the shareholders

The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

#### **a. The circumstances under which the shareholders may or may not expect dividend;**

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board of Directors shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

**b. The financial /internal parameters that shall be considered while declaring dividend;**

The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Capital allocation plans including:
  - Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;
  - Investments required towards execution of the Company’s strategy;
  - Funds required for any acquisitions that the Board of Directors may approve; and
  - Any share buy-back plans.
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments.

**c. External factors that shall be considered for declaration of dividend;**

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

**d. Policy as to how the retained earnings shall be utilized.**

The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

**e. Provisions in regard to various classes of shares.**

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

**Manner of Dividend Payout**

The declaration and payment of Dividends will be as per the laws and regulations applicable to the company.

### **Disclosure on deviation**

Declaration of Dividend on the basis of parameters other than those stated in this Policy or resulting in amendment of any element stated in this Policy will be regarded as deviation.

Any such deviation, when deemed to be necessary in the interest of the Company, in extraordinary circumstances, shall be disclosed in the Company's Board's Report along with the rationale thereof.

### **Contractual obligations**

The decision regarding dividend pay-out shall take into consideration the restrictions and covenants contained in the agreements as may be entered into by the Company with financial institutions / other lenders of the Company from time to time.

### **Prudential requirements**

The following strategic matters shall also be considered-

- to ascertain the needs for capital conservation and appreciation;
- to build sufficient reserves of retained earnings;
- to augment long term financial strength; and
- to build a pool of internally generated funds to provide long-term

### **Review**

The Board of Directors may review and amend the policy to give effect to any statutory amendments or otherwise. The amended Policy shall be placed on the website of the company immediately after its approval from the Board.

### **Disclosure of the policy**

This policy will be uploaded on the website of the Company and the same is available at <https://belriseindustries.com>

### **Limitation and Amendment**

In the event of any conflict or inconsistencies between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy.

Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

**END OF POLICY**