



# POLICY ON DIVIDEND DISTRIBUTION

## Policy Change log

Version	Issued on	Effective from	Purpose of change
v1	September 18, 2025	September 18, 2025	New Policy release

### PARIJAT INDUSTRIES (INDIA) LIMITED

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## 1. Preamble

The Securities and Exchange Board of India (“SEBI”) vide the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI Listing Regulations”), has made it mandatory for the top 1000 listed companies based on the market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which will be disclosed on their website and a web-link shall also be provided in their annual reports. The SEBI Listing Regulations further stipulate that other listed entities may undertake such compliance on a voluntary basis.

PARIJAT INDUSTRIES (INDIA) LIMITED (hereinafter referred to as the “PIPL” or “Company”) has formulated the Dividend Distribution Policy (hereinafter referred to as “Policy”) has framed this Dividend Distribution Policy (“Policy”) in compliance with the SEBI Listing Regulations. This Policy has been approved by the board of directors (“Board”) of the Company at its meeting held on September 18, 2025, being the effective date of this Policy.

In order to consolidate the procedural requirements under the Companies Act, 2013 (the “Act”) and the SEBI Listing Regulations, the board of directors (“Board”) of Company has laid down this Policy in accordance with the requirements of the Act read with relevant rules prescribed thereunder and the SEBI Listing Regulations.

## 2. Objective

The objective of this Policy is to establish the parameters (including internal and external factors) to be considered by the Board of the Company before declaring or recommending dividend. Through this Policy, the Company will endeavor to maintain fairness, consistency and sustainability while distributing profits to the shareholders of the Company in the interest of providing transparency to the shareholders.

## 3. Definitions

- (a) “Act” means the Companies Act, 2013, the rules made thereunder and any
- (b) Amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made.
- (c) “Dividend” has the meaning ascribed to it under Section 2(35) of the Act and includes interim dividend.
- (d) “Board” means Board of Directors of the Company.
- (e) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI Listing Regulation, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

## 4. Categories of Dividends

The Company may, subject to its articles of association, pay dividends in proportion to the amount paid-up on each share. The Act provides for two forms of Dividend - Final & Interim. The Board shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.



- **Final Dividend**

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of the Company has the power to recommend the payment of final dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the Board's report and the ordinary business items that are required to be transacted at the Annual General Meeting.

- **Interim Dividend**

This form of dividend can be declared by the Board one or more times in a financial year as may be deemed fit by it or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend. Further, such declaration of interim dividend shall be in line with this Policy. By way of guidance, the Board should usually declare an interim dividend after finalization of quarterly (or half yearly) financial accounts.

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

The decision regarding dividend payout seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to balance capital requirements. The Equity shareholders may expect dividend only if the Company has surplus funds and after taking into consideration relevant financial parameters / internal/external factors as enumerated in policy.

The Dividend for any financial year shall be paid out of the Company profits for that year or accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Rules made thereunder.

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

- a) Inadequacy of profits or whenever the Company has incurred losses;
- b) Significant expansion project requiring higher allocation of capital or where Company undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- c) Significantly higher working capital requirements adversely affecting free cash flow;
- d) Restrictions under the provisions of the Act or any other applicable law or term loan financing agreements / other facility agreement/ security subscription or other agreements ;
- e) Weak industry/business outlook whereby it is prudent in the eyes of the Board to conserve cash than payout dividend; and in case of being prohibited to recommend/declare dividend by any regulatory body.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for any proposed or ongoing or planned business expansion or other factors which may be considered by the Board. The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the financial year and the Board reserves the right to depart from the Policy as and when circumstances warrant.



Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy, if any.

## **6. The financial parameters that shall be considered while declaring dividend**

Before declaring or recommending the dividend to shareholders, the Board would consider appropriate financial parameters like

1. Accumulated profit;
2. Working capital requirements;
3. Capital expenditure requirements;
4. Capital investment requirements;
5. Cash flow & liquidity;
6. Debt servicing and leverage ratios;
7. Outstanding borrowings and repayment schedules;
8. Past dividend trends;
9. Any other factor deemed fit by the Board or required under applicable law.

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

- Macro-economic environment – Significant changes in macro-economic environment materially affecting the business in which the Company is engaged in the geographies in which the Company operates.
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the business in which the Company is engaged.
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.
- Other factors like statutory and contractual restrictions.

If the Board decides to consider any parameters in addition to those stipulated above or proposes to change such additional parameters or this Policy, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

## **7. Classes Of Shares**

The above parameters shall apply to all the classes of shares as prescribed under the Act subject to the terms of issue of such class of shares.

## **8. Mode of Declaration and Forfeiture**

- a) The Dividend shall be declared and disclose the dividend on per share basis only.
- b) The Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India, in the manner specified in Schedule I, for the payment of the dividends; And where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued. However, where the amount payable as dividend exceeds one thousand and five hundred rupees, the 'payable-at-par' warrants or cheques shall be sent by speed post.
- c) Unclaimed dividends shall not be forfeited before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.



## **9. Utilization of retained earnings**

Retained earnings may be utilised for capital expenditure or working capital; Investment in new and/ or existing business(es); general corporate purposes; bonus shares; buy-back of shares and any other permitted usage as per the Act, Listing Regulations or any other applicable law.

## **10. Parameters that shall be adopted with regard to various classes of shares**

The payment of dividend to different classes of shares of the Company shall be based on the respective rights attached to each class of shares as per their terms of issue and in accordance with the Act and other applicable laws.

## **11. Policy Review and Amendments**

This Policy shall be subject to periodic review by the Board. In the event of a conflict between this Policy and any applicable statutory or regulatory provisions, the requirements of such laws and regulations shall prevail.

Further any subsequent amendment/modification in the SEBI Listing Regulations, the Companies Act and/or any other laws in this regard shall automatically apply to this Policy..

## **12. Disclosures**

The Company shall disclose the Policy on its website and as required under the Act and the SEBI Listing Regulations. Further, if the Board decides to consider any other parameters other than those provided in the Policy or proposes to change such additional parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

## **13. Effective Date**

This policy takes effect from the date of its adoption by the Board and shall remain in force until modified or rescinded.