

Bajaj Holdings and Investment Limited

Dividend Distribution Policy

Initially approved by the Board of Directors at its meeting held on 28 October 2016
Revised by the Board of Directors at its meeting held on 17 September 2021
Reviewed by the Board of Directors at its meeting held on 13 September 2022

Background :

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Board at its meeting held on 28 October 2016 had approved the Dividend Distribution Policy. Subsequently, The Reserve Bank of India vide its circular no. DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24 June 2021 has also prescribed guidelines on distribution of dividend by NBFCs.

Objective :

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of Bajaj Holdings & Investment Limited ('the Company'), while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company.

Policy :

The Dividend Distribution Policy is accordingly being revised as under :

- The financial strategy of the company, which encompasses the dividend policy, is primarily aimed at enhancement of long-term shareholder value and sustainable growth, in a way that the shareholders can participate equitably in the company's growth, while maintaining a strong financial foundation for the company.

- The dividend distribution will be subject to internal & external factors, such as,
 - general economic & market conditions,
 - prevailing regulatory and legal restrictions,
 - funding requirements for diversification, growth, new projects, brand / business acquisitions,
 - long-term strategic plans,
 - fresh investments in group companies mainly subsidiaries / associates / joint ventures,
 - requirement of funds for outside group investments including other asset classes,
 - absorbing impacts of unfavourable market conditions, meeting unforeseen contingencies and other circumstances, which in the opinion of the Board, require retention of profits.

- As the Company is an Investment company, profits can vary from year to year depending on market conditions, and so can the need for funds, which would significantly influence the dividend distribution from year to year. Keeping in mind
 - performance of Associates -Dividend received
 - the sustainable profitability,
 - need for accretion to surplus investible funds,
 - financial parameters, internal & external factors as stated above
 - and applicable laws and regulations,the Board shall endeavor to judiciously payout/distribute the profits of the company as dividend, keeping in mind the shareholders' interests to the extent possible, company's need for funds in future etc. However, the management shall endeavor to maintain a minimum dividend payout of 50% of the distributable profits on standalone basis each year.

- Considering the accounting of certain realised gains/losses (mandated by Indian Accounting Standards) which are directly recognised as retained earnings and not through the Profit and Loss account, and the management and business objectives, the Board can consider declaring dividend from retained earnings i.e. from accumulation of profits, to the extent permitted by law and applicable regulations.

- Final dividend will be recommended by the Board for approval of the shareholders in a general meeting, while interim dividend, if any, may be declared by the Board. The company currently has only one class of shares, i.e. equity shares.

This Policy is subject to review from time to time.

Pune:

13 September 2022


CHAIRMAN