

May 17, 2022

To,

BSE Limited

: Scrip Code- 500031

Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai 400 001

National Stock Exchange of India Limited

: BAJAJELEC - Series: EQ

Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

Sub.: Approval of Dividend Distribution Policy in the Board meeting held today on May 17, 2022

The Board in its Meeting held today has amended the Dividend Distribution Policy of the Company. In terms of the amendment, and subject to the parameters/circumstances given in the said revised Dividend Distribution Policy, the Board would endeavor to maintain a dividend pay-out in the range of **20-40%** of the Company's Profit After Tax on standalone financials.

The revised Dividend Distribution Policy is being uploaded on the website of the Company and is enclosed herewith.

We request you to take it on records.

Thanking you,

Yours Faithfully,
For Bajaj Electricals Limited

Ajay Nagle
Head of Department- Legal (and Company Secretary)

Encl.: As above.



BAJAJ ELECTRICALS LIMITED

CIN L31500MH1938PLC009887

Registered Office: 45/47, Veer Nariman Road, Mumbai – 400001

Tel.: 022-2204 3780/3841, 6110 7800 | Fax: 022-2285 1279

Website: www.bajajelectricals.com E-mail: legal@bajajelectricals.com

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

As per the provisions of Regulation 43A of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors (the “Board”) of Bajaj Electricals Limited (the “Company”) had approved the Company’s first Dividend Distribution Policy at its meeting held on March 29, 2017.

In the endeavour to provide more clarity to stakeholders on the Company’s dividend distribution framework, this revised Dividend Distribution Policy (“Dividend Policy”) has been framed for adoption by the Board of the Company. This Dividend Policy shall supersede the earlier policy and shall be effective from May 17, 2022.

2. DIVIDEND DISTRIBUTION PHILOSOPHY AND OBJECTIVE

This Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The management endeavours to divide ‘net earnings’ into dividends and retained earnings in an optimum way to achieve the objective of wealth maximisation for shareholders.

3. DIVIDEND

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

4. PARAMETERS FOR DECLARATION OF DIVIDEND

External and Internal factors (strategic and financial) that would be considered for declaration of dividend includes:

External Factors	Internal Factors
<ul style="list-style-type: none"> • State of Economy- in case of uncertain or recessionary economic and business conditions; • Market conditions and consumer trends; • Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution; • Statutory Obligations, Government Regulations and Taxation policies; • Dividend pay-out ratios of companies in the same industry; and • Other external factors. 	<ul style="list-style-type: none"> • Distributable surplus available and liquidity position of the Company • Present & future capital requirements of the existing businesses including any acquisition; • Expansion / Modernisation of existing businesses; • Outstanding Borrowings and covenants there of; • Likelihood of crystallisation of contingent liabilities, if any; and • Other internal factors.

Circumstances under which shareholders may not expect a dividend includes:

- Adverse market conditions & business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance;
- Large forthcoming capital requirements which are funded through internal accruals;
- Changing Government regulations; and
- Any other relevant circumstances.

Even under such (unfavorable) circumstances, the Board may, at its sole discretion, and subject to applicable rules, choose to recommend a dividend, including out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 and SEBI Listing Regulations, as may be applicable.

5. DIVIDEND PAYOUT

The Board would endeavor to maintain a **Dividend pay-out in the range of 20-40%** of the Company's Profit After Tax on **standalone financials**. However, the Board, at its sole discretion, may pay dividend which is higher or lower than this dividend pay-out range.

The Board may also consider declaring or recommending special dividends or 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 shall be intimated to the stock exchanges and post-board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the SEBI Listing Regulations.

6. UTILISATION OF RETAINED EARNINGS

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding Inorganic and Organic Growth needs including working capital requirement, capital expenditure, repayment of the debt, etc. The Company can consider venturing into new markets/geographies/verticals;
- Research and Development of new products, investment in emerging technologies, etc. to increase market share;
- Capital Expenditure by way of state of art factories, technology upgradation, platform development, etc.
- Mergers and acquisitions;
- Buyback of shares subject to applicable limits;
- Payment of dividends in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose.

7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has only one class of shares at this point.

8. DIVIDEND POLICY EXCLUSION

The Dividend Policy shall not be applicable in the following circumstances:

- (a) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.
- (b) Distribution of dividend in kind i.e. by the issue of fully or partly paid bonus shares or other securities.
- (c) Determination and declaring dividends on preference shares, if any.

9. DISCLOSURES

The Dividend Policy shall be disclosed on the website of the Company i.e. www.bajajelectricals.com.

10. REVIEW AND AMENDMENT

Any or all provisions of this Dividend Policy would be subject to the revision/amendment to the SEBI Listing Regulations or related circular, notification, guidance notes issued by the Securities and Exchange Board of India or relevant authority, on the subject from time to time.

Any such amendment shall automatically have the effect of amending this Dividend Policy without the need for any approval by the Board or any of its Committees. This Dividend Policy is subject to review from time to time.

11. DISCLAIMER

This Dividend Policy neither solicits investment in the Company's securities nor gives any assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

Mumbai, May 17, 2022

Shekhar Bajaj
Chairman & Managing Director