

# **BN AGROCHEM LIMITED**

**(Formerly BN Holdings Limited)**

## **DIVIDEND DISTRIBUTION POLICY**

**(PURSUANT TO REGULATION 43A OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS), REGULATIONS 2015**

### **1. Scope and Objective:**

The Board of Directors (“Board”) of BN Agrochem Limited (Formerly BN Holdings Limited) (“the Company”) has adopted a Dividend Distribution Policy (“the Policy”) and this seeks to lay down a broad framework for the distribution of dividend by the Company while maintaining appropriately balancing the need of the Company to retain resources for the Company’s growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the board of directors (“Board”) at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder, or other factors as may be considered relevant by the Board.

### **2. Statutory Requirements:**

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being (the “Act”) in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act, the Companies (Declaration and Payment of Dividend) Rules, 2014 and as per regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), such other applicable provisions of law.

### **3. Parameters to be considered while recommending/declaring dividend:**

The Board while declaring or recommending dividend to the shareholders will consider following internal and external factors and seek to balance between shareholder’s expectation of predictable and reasonable return on their investment with the Company’s requirement to fund its long term growth plans.

#### Internal Factors:

- Profits earned and available for distribution during the financial year;
- Accumulated reserves, including retained earnings;
- Earning Stability and Past dividend trends – rate of dividend, EPS and payout ratio, etc.;
- Current and future capital requirements for Growth and Business expansion, Capital Expenditure, Inorganic opportunities etc.;
- Current and projected Cash Balance and Cash Flows.

#### External Factors:

- Economic and market environment, both domestic and global;
- Government policies and regulatory provisions, including taxation;
- Cost of raising funds from alternate sources;
- Inflation rates;
- Sense of shareholders’ expectations.

#### **4. Circumstances under which shareholders of the Company may or may not expect dividend:**

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business.

Hence, the shareholders of the Company may expect dividend only if the Company has surplus funds after providing for all the expenses, investments etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital;
- the Company has significantly higher working capital requirement affecting free cash flow;
- any adverse market conditions and business uncertainty;
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

#### **5. Policy as to how the retained earnings will be utilized:**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans, including inorganic opportunities;
- Replacement of technology or physical infrastructure or other assets;
- Market expansion or diversification of business;
- Investment in platforms, intellectual property, accelerators and other research & development projects to improve its capability and market share;
- Balancing the capital structure of the Company;
- Payment of dividend or issue of bonus shares;
- Other such criteria as the Board may deem fit from time to time.

#### **6. Quantum and manner of dividend payout:**

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a reasonable dividend pay-out based on the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone financial statements only. In future should the regulations be amended permitting the Company to pay dividend based on its consolidated profits, the Board would consider paying dividends out of its consolidated profits.

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the annual financial statements, which is called final dividend. The Board shall have the power to recommend final dividend to the shareholders for their approval in the annual general meeting of the Company.

The Board may also declare interim dividend during the financial year, between two annual general meetings as and when they consider it fit.

**7. Disclosures:**

The Policy is disclosed on the website of the Company i.e. at [www.bn-holdings.com](http://www.bn-holdings.com) and the website link of the policy is presented in the Annual Report of the Company.

**8. Policy review and amendments:**

The Policy will be reviewed yearly by the Board, if there is any statutory changes. The Board may, from time to time, make amendment(s) to this Policy to the extent required due to change in applicable laws and / or regulations or as deemed fit on a review. This policy has been adopted by the Board at its meeting held on February 13, 2026 being the effective date of this Policy.

**9. Disclaimer:**

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 year and the Board reserves the right to depart from the policy as and when circumstances so warrant.