



INDIA PESTICIDES LIMITED

Dividend Distribution Policy

Policy

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Document Control Log

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Standards	SEBI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Company Act, 2013
Clause No.	Section 43, 43A	Chapter VIII Section 123

Action	Name	Designation & Department	Date
Prepared by	Ajeet Pandey	Company Secretary & Compliance Officer	15/12/2020
Reviewed by	S P Gupta	Chief Financial Officer	03/01/2021
Approved by	Board	Board	23/01/2021

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1. BACKGROUND

The Board of Directors (**“Board”**) of India Pesticides Limited (**“Company”**) has adopted this Dividend Distribution Policy to comply in accordance with the provisions of the Companies Act, 2013. (**“Companies Act”**) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**).

2. APPLICABILITY

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

3. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is committed to driving value creation for all its stakeholders. The focus will continue to be on sustainable returns. The Board philosophy is to distribute maximum possible surplus cash to the shareholders.

4. DIVIDEND

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

The term ‘dividend’ has been defined under Section 2(35) of the Companies Act as which includes any interim dividend. It is an inclusive and not an exhaustive definition.

5. Laws and Regulations

The declaration and payment of dividend is governed by-

- ❖ Chapter - VIII of the Companies Act, from section 123 to 127 which deals with Declaration and payment of dividend
- ❖ The Companies (Declaration and Payment of Dividend) Rules, 2014
- ❖ Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001
- ❖ SEBI Listing Regulations
- ❖ Section 27 of Security Contract Regulation Act, 1956
- ❖ Income Tax Act, 1961
- ❖ SEBI Guidelines/Circulars etc. as amended from time to time and to the extent applicable.

The Company will adhere to the provisions of applicable Laws as amended from time to time and to the extent applicable.

6. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

The Dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

The Company shall pay dividend on equity shares only after ensuring compliance with the Companies Act and SEBI Listing Regulations.

7. INTERIM AND FINAL DIVIDEND

The Board may declare 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, will be provided to the stock exchanges, as required by Listing Regulations.

8. PARAMETERS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND

Broad parameters that shall be considered for declaring dividend would be **financial, internal or external**, which are as listed below.

- Distributable surplus available as per the Companies Act and other rules and regulations
- The Company's liquidity position and future cash flow needs
- Mergers & acquisitions
- Additional investment in subsidiaries/associates of the company
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure
- Stipulations / covenants of loan agreements
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend



9. UTILISATION OF RETAINED EARNINGS

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- ❖ Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc..
- ❖ Buyback of shares subject to applicable limits
- ❖ Payment of Dividend in future years
- ❖ Issue of bonus shares
- ❖ Any other permissible purpose

10. MODIFICATION OF THE POLICY

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made to the Companies Act, Regulations, etc.

11. DISCLAIMER

This document does not solicit investments in the Company's securities nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

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