

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 Bajel Projects Limited (the "Company") had approved the Company's Dividend Distribution Policy at its meeting held on December 29, 2023.

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; Major Customer orders and the need to grow the existing business; Outstanding Borrowings and covenants thereof; 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;
- Major customer orders with high working capital requirement;
- 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 identical with other companies in the industry of similar size and the Company's Profit After Tax on standalone financials. However, the Board, may at its sole discretion:

1. Skip dividends for a few financial years taking a strategic decision in the Company's interest to conserve resources;
2. Pay dividend which is higher or lower than the industry 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 a 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;
- Capital Expenditure by way of state of art factory & technology upgradation, 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.bajelprojects.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.**

Sd/-

Shekhar Bajaj
Chairman

Place: Mumbai,
Date: December 29, 2023