

Bajaj Finance Limited

Dividend Distribution Policy

PREAMBLE:

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.

OBJECTIVE:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of Bajaj Finance Limited ("the Company") before recommending dividend to its shareholders for a financial year. The policy is framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

CRITERIA TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND:

The Board will consider the following factors before recommending dividend:

Statutory and regulatory compliance:

The Company shall declare dividend only after ensuring compliance with guidelines on dividend declaration issued by the Reserve Bank of India (RBI) from time to time, provisions of the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

Financial parameters:

The Board shall endeavour that the Dividend amount in every financial year will be stable and steady. Subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout (including dividend distribution tax) in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Other internal and External Factors:

The dividend distribution will be subject to internal & external factors, such as, general, economic & market conditions, funding requirements for expansion, diversification, growth, new projects, brand / business acquisitions, long-term strategic plans, joint-venture plans, fresh investments in subsidiaries / associates, absorbing unfavourable market conditions, meeting unforeseen contingencies and other circumstances, which in the opinion of the Board, require retention of profits.

DIVIDEND DECLARATION

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

AMENDMENTS / MODIFICATIONS:

To the extent any change/amendment is required in terms of any applicable law or change in regulations or any specific instructions from regulator, the regulations or specific instructions would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY:

The dividend policy would be reviewed annually.

DISCLOSURE OF POLICY:

The policy will be available on the Company's website.

Place: Pune

Last reviewed on : 20 March 2024

CHAIRMAN