



**PONDY OXIDES AND CHEMICALS LIMITED**

**DIVIDEND DISTRIBUTION POLICY**

(Approved by the Board of Directors on 28<sup>th</sup> January 2026.

Effective from 01<sup>st</sup> April 2026)

## **DIVIDEND DISTRIBUTION POLICY**

### **I. SCOPE AND OBJECTIVE**

1. This Dividend Distribution Policy (“Policy”) is framed with the objective of setting out the broad principles and framework to be followed by Pondy Oxides and Chemicals Limited (“Company”) in determining the distribution of dividends to its shareholders, while ensuring an appropriate balance between distribution of profits and retention of earnings for the Company’s growth, sustainability, and long-term value creation.
2. The Company shall endeavor to maintain fairness, consistency, and transparency in its dividend distribution practices, with due regard to the interests of its shareholders.
3. This Policy further sets out the circumstances and the various financial and non-financial factors that shall be taken into consideration by the Board of Directors (“Board”) while deciding on the declaration or recommendation of dividend or retention of profits, with the objective of providing greater clarity and transparency to the shareholders.
4. This Policy is not intended to restrict or override the discretion of the Board. The Board shall, at its sole discretion, recommend dividend on an annual basis after taking into account the factors specified herein or such other factors as it may deem fit in the best interests of the Company and its stakeholders.

### **II. REGULATORY FRAMEWORK:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) mandate that the top 1000 listed entities, based on market capitalization, disclose a Dividend Distribution Policy in their annual report and on their corporate website. In compliance with the aforesaid Regulations, the Board of Directors (“Board”) of Pondy Oxides and Chemicals Limited (“Company”) has duly adopted this Dividend Distribution Policy. At present, the Company has a single class of shares, namely equity shares, to which this Policy is applicable. The Policy shall be subject to review and modification, as may be deemed necessary, in the event of issuance of any additional class or classes of shares by the Company.

### **III. PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND:**

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

#### **Financial/ Internal Factors**

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings

- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earnings Outlook for next three to five years.
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Crystallization of contingent liabilities of the Company
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

**External Factors**

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of External Financing

**IV. THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND:**

The declaration of dividends constitutes a significant financial decision, as it determines the proportion of profits to be distributed to shareholders and the profit to be retained within the Company. Accordingly, shareholders **may expect the dividends** only when the Company has adequate surplus funds after meeting all expenses, providing for depreciation, and ensuring compliance with all applicable statutory requirements.

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

- 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.
- The Company proposes to utilize surplus cash for buy- back of securities;
- The Company is prohibited to recommend/declare dividend by any regulatory body.

**V. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED:**

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company

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

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

**VII. COMMUNICATION OF POLICY**

This Policy shall be published on the Company website <https://pocl.com/>.

**VIII. CONFLICT IN POLICY**

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Regulations shall prevail.

**IX. AMENDMENTS**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

**X. 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.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.