



BALRAMPUR CHINI MILLS LIMITED

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February 15, 2017

National Stock Exchange of India Limited Listing Deptt., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400051	BSE Limited Corporate Relationship Department 1st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400001	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001
Scrip Code: BALRAMCHIN	Scrip Code: 500038	Scrip Code: 12012

Dear Sir/ Madam,

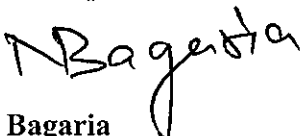
Sub: Adoption of Dividend Distribution Policy

We wish to inform you that in furtherance to SEBI's requirement for the top 500 Listed Companies (by way of market capitalization) to formulate and disclose their Dividend Distribution Policy, the Board of Directors of Balrampur Chini Mills Limited has adopted the Dividend Distribution Policy.

The approved Dividend Distribution Policy is enclosed herewith for reference. It is also being made available on the Company's website **www.chini.com**.

Thanking you,

Yours faithfully,
For Balrampur Chini Mills Limited


Nitin Bagaria
Company Secretary

BALRAMPUR CHINI MILLS LIMITED

DIVIDEND DISTRIBUTION POLICY

1. Background

Securities and Exchange Board of India (SEBI) has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 which came into force w.e.f. July 8, 2016. Pursuant to Regulation 43A of the said Regulations, top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) should have a Dividend Distribution Policy.

Therefore, the Board of Directors of Balrampur Chini Mills Limited has adopted this Dividend Distribution Policy of the Company as per the aforesaid requirement.

2. Effective Date

This Policy becomes effective from the date of its adoption by the Board i.e. Saturday, 11th February, 2017.

3. Definitions & Interpretations

Unless repugnant to the context:

- (a) 'Act' shall mean the Companies Act, 2013 as amended from time to time and shall include Rules, Regulations and Secretarial Standards made thereunder or pursuant thereto.
- (b) 'Board' shall mean the Board of Directors of the Company, as constituted from time to time.
- (c) 'Company' shall mean 'Balrampur Chini Mills Limited'.
- (d) 'Policy' shall mean this Dividend Distribution Policy as per the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.
- (e) 'Listing Regulations' shall mean SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

All words and expressions used but not defined in this Policy, but defined in the Act or the Listing Regulations shall have the same meaning as respectively assigned to them in such Act or Regulations, as the case may be.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

4. Objective

The Company shall strive to drive growth and thereby maximise shareholders' value. The object of this Policy is to strike a balance between dividend payout and the need to retain earnings for future growth. This Policy broadly specifies the external and internal factors that shall be considered while declaring dividend.

5. General policy of the Company as regards Dividend

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following:

- (a) Subject to the other considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management and other relevant factors.
- (b) The Board may also, where appropriate, aim at distributing dividends in form of fully or partly paid shares or other securities, subject to applicable law.

6. Parameters



The Board shall consider the following parameters:

(a) Circumstances under which the shareholders of the Company may or may not expect dividend:

Shareholders may expect Dividend when the Company is having adequate surplus funds after providing all expenses, depreciation, etc., and complying all other statutory requirements of the Act.

Shareholders may not expect Dividend:

- (i) When the Sugar Industry Scenario is uncertain, even if the Company has earned profits in the year.
- (ii) When there are regulatory restrictions.
- (iii) Whenever it is proposed to utilise the surplus cash for buy back of securities.

(b) Financial parameters/Internal factors:

In addition to the aforesaid parameters, the decision of dividend payout or retention of profits shall also be based on the following:-

- (i) Operating Cash Flows.
- (ii) Long term strategic plans.
- (iii) Debt repayment schedules and contractual constraints such as dividend restrictions in debt contracts and the current degree of financial leverage.
- (iv) Such other criteria as deemed fit by the Board.

(c) External factors:

The various legal rules and constraints such as paying dividends that would impair capital and policy decisions that may be formulated by the Government or in case of uncertain or recessionary economic and business conditions, the Company will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

(d) Policy to utilise retained earnings with regard to dividend:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year(s) or out of free reserves, in accordance with the provisions of the Act, after due regard to the parameters laid down in this Policy.

(e) Parameters adopted with regard to various classes of shares:

The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above. Additionally, the following shall be considered:

- (i) The dividend will be paid to the equity shareholders based on the terms of the issue.
- (ii) The dividend shall be paid out of Company's distributable profits and / or profits of earlier year(s) (subject to applicable law), and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

7. Review

The Board may review and amend the Policy, from time to time, as it may deem it and / or to give effect to any amendment in any applicable law.

