# KISAN MOULDINGS LIMITED

## DIVIDEND DISTRIBUTION POLICY

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## 1. Background and applicability

The Board of Directors ("Board") of Kisan Mouldings Limited ("Company") has adopted this Dividend Distribution Policy to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"). 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.

## 2. Objective

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company. The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any dividend in a financial year keeping in mind the provisions of the Companies Act 2013 and Rules made therein and other applicable legal procedures. The Company currently has only one class of Shares viz. Equity Shares.

## 3. Factors to be considered while declaring Dividend.

While recommending Dividend, the Board shall take into account various Internal and External factors which shall inter-alia include:

(a) Profitability of the Company during the relevant year.
(b) Past dividend trends.
(c) Leverage profile.
(d) Future capital expenditure programmes including organic and inorganic growth opportunities.
(e) Company's liquidity position and cash flow position.
(f) Economic conditions and regulatory environment.
(g) Any other relevant factors that the Board may deem fit to consider.

## 4. Utilisation of retained earnings.

The retained earnings will be used inter alia for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

**5. Declaration of Dividend**

5.1 The Board may declare/recommend Interim/Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act, 2013.

5.2 Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

5.3 The Board shall endeavour to achieve a Dividend Pay-out Ratio in the range of 5% - 25% (gross of dividend distribution tax) of distributable profits for the year under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower dividend or no dividend in case the business requirement so warrants.

6. **Review and Modification**

The Dividend Distribution Policy is subject to review and revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare dividend based on the basis of parameters other than those mentioned in the dividend distribution policy, it shall disclose such changes alongwith the rationale therefore.

**8. Website**

The Policy shall be posted on the website of the Company.