

Dividend Distribution Policy
of
Kasliwal Projects Limited
(Formerly known as Kasliwal Projects Private Limited)

(Effective from 03rd March, 2024 approved by Board of Director on 03rd March, 2024)

INTRODUCTION & APPLICABILITY:

The Securities and Exchange Board of India vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, introduced Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top one thousand listed entities based on market capitalisation (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed in their annual reports and on their websites. Though the Company does not form part of the top one thousand listed entities based on market capitalisation, the Company vide resolution of its board of directors dated 03rd March, 2025 has voluntarily resolved to adopt this policy on dividend distribution with a view to inform the shareholders about how it aims to utilise extra profits and the parameters that shall be adopted with regard to the equity shares.

OBJECTIVE:

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend (interim / final) and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilised, etc. The Board of Directors ("**Board**") may consider declaration of interim dividend depending upon the cash flow situation of the Company. The Company aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company. The dividend distribution shall be as per the recommendations of the Board and shall always be decided at a general meeting of shareholders. Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board may consider a higher dividend payout ratio, while trying to ensure that sufficient funds are retained for growth of the Company.

DECLARATION AND PAYMENT OF DIVIDEND:

The Company endeavours to pay appropriate dividend of the post tax profits as dividend to the shareholders of the Company in any financial year subject to sufficiency of stand-alone profits available for distribution of dividend in the relevant year and the said payout shall be subject to applicable taxes as per relevant regulations. However, the Board reserves the right to recommend such percentage of dividend based on the performance of that year and after taking into consideration other factors enumerated above and in compliance with Section 51 of the Companies Act, 2013 the Company shall pay dividend proportionately, i.e., in proportion to the amount paid-up

on each share. Dividend for a financial year shall be paid after the annual financial statements of the Company are finalised and the amount of distributable profits is available. The declaration and payment of dividend shall be in accordance with the provisions of Sections 123 to 128 of the Act. Pursuant to the provisions of Section 123 of the Act, the Board shall recommend dividend for any financial year subject to the following: (a) out of the profits of the Company for that year arrived after providing for depreciation; or (b) out of the profits of the Company for any previous financial year(s) arrived at after providing for depreciation and remaining undistributed; or (c) out of both (a) and (b).

PARAMETERS FOR DECLARATION OF DIVIDEND:

The Board shall consider the following various circumstances like current year's profit, future outlook, reinvestment opportunities of the Company, tax benefits, Company's present and future performance for declaration and payment of dividend.

FINANCIAL PARAMETERS

- (a) Availability of profits;
- (b) Financial feasibility of the Company;
- (c) Favorable Debt Equity ratio;
- (d) Debt interest coverage ratio;
- (e) Liquidity position;
- (f) Business expansions, acquisitions, etc.;

EXTERNAL FACTORS

- (a) Shareholders' expectations;
- (b) Uncertain or recessionary economic and business conditions;
- (c) Restrictions imposed under the Act with regard to declaration of dividend;
- (d) Sectorial performance;
- (e) Future uncertainties and industrial downturn;
- (f) Government policy;
- (g) Clientele effect;
- (h) Risk effect

INTERNAL FACTORS

- (a) Growth rate of past earnings;
- (b) Growth rate of predicted profits;
- (c) Expansion and modernisation of existing business;
- (d) Investment in research and development;
- (e) Working capital requirements;
- (f) Any proposed mergers and acquisitions;
- (g) Approach adopted - residual, stability or hybrid.

UTILISATION OF RETAINED EARNINGS

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

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, product and market expansion etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

The decision of utilisation of retained earnings of the Company shall be based on the following factors:

- (a) Acquisition/Diversification of business;
- (b) Long term strategic plan;
- (c) High cost of debt;
- (d) Market or product development/expansion plan;
- (e) Increase in production capacity;
- (f) Modernisation Plan;
- (g) Replacement of Capital intensive assets.

PROCEDURE

The Board may recommend 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, will be provided to the stock exchanges, as required by Listing Regulations.

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal which shall be in line with the Parameters mentioned in this Policy.

If the Company proposes to declare dividend on the basis of parameters in addition to this policy or proposes to change such parameters or the dividend distribution policy contained in any of the parameters, it will take necessary note in board meeting and subsequently reflect in the policy.

CLASSES OF SHARES

The share capital of our Company is divided into one (1) classes i.e. Equity share capital consisting of equity shares of face value ₹02/-each only; Except as stated above, there are no other class of shares issued and as on date of this policy the Company does not have any paid-up preference share capital convertible into equity shares of the Company. In case of issue of new class of shares in the future, the policy will be reviewed accordingly.

PUBLICATION OF POLICY

This Policy, as approved by the Board, shall be disclosed in the Annual Report and is available on the website of the Company.

AMENDMENT

In case of any subsequent changes in the provisions of the Act or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws. Any such amendments shall be disclosed along with the rationale for the same in the Annual Report and on the website of the Company.

CONFLICT OF POLICY

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail and in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

DISCLAIMER

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

For KASLIWAL PROJECTS LTD.

[Signature]
Director