

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Pursuant to Regulation 43(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), The Board of Directors of the company vide resolution dated Monday, 10th February, 2025 adopted this Policy to comply with the requirements of the Listing Regulations.

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company’s growth and sustainability. The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

2. OBJECTIVE

The Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The objective of this Policy is to reward the shareholders of the Company by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for future growth of the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time. Through this Policy, the Company would endeavour to maintain a consistent approach to Dividend pay-out plans.

3. DEFINITIONS

“Act” shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

“Applicable Laws” shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

“Board or Board of Directors” shall mean the Board of Directors of the Company.

“Company” shall mean KSH International Limited and wherever the context requires, shall signify the Company acting through its Board.

“Dividend” shall mean Dividend as defined under Companies Act, 2013.

“Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

“Policy or this Policy” shall mean this Dividend Distribution Policy and as may be amended from time to time.

“SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. PARAMETERS FOR DECLARATION OF 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
- Cash Flow positions
- Accumulated reserves, including retained earnings
- Debt servicing plan
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Corporate actions including Merger/amalgamation, Capital restructuring, debt reduction, capitalisation of shares
- Any other relevant factors and material events.

External Factors:

- Economic environment, both domestic and global.
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Unfavorable market conditions
- Any changes in the competitive environment requiring significant investment.
- Changes in Government policies and regulatory provisions
- Inflation rates
- Industry Outlook
- Cost of external financing
- Any other relevant factors and material events.

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company *may expect dividend* only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company *may not expect dividend* 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;

KSH International Limited

[Formerly known as KSH International Private Limited]



- 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. The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 4 above.

6. UTILISATION OF RETAINED EARNINGS

The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

7. CLASSES OF SHARES

The company has only one class of shares, i.e. Ordinary equity shares. Except as stated above there are no other class of shares as on the date of this policy. Further, the company does not have any convertible preference share capital. In case of issue of new class of shares in the future, the policy will be reviewed accordingly.

8. DIVIDEND PAYOUT

The dividend payout in each financial year, including interim dividends, will be decided by the Board keeping in mind the above-mentioned criteria. Special dividends, if any, will be declared in addition to the regular dividend payout.

9. DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.kshinternational.com.

10. POLICY REVIEW AND AMENDMENTS

The Policy will be reviewed periodically by the Board. This policy has been adopted by the Board of Directors of the Company at its meeting held on Monday, 10th February, 2025, being the effective date of this Policy.

11. CONFLICT IN POLICY

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

12. DISCLAIMER

- a) 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.
- b) 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.
