

**DIVIDEND DISTRIBUTION POLICY OF  
KOKUYO CAMLIN LIMITED**

**(I) PREFACE**

Securities and Exchange Board of India (“SEBI”), vide an amendment dated May 5, 2021 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), has mandated the top 1000 listed companies (by market capitalisation) to have in place a Dividend Distribution Policy. Further, the said amendment requires the companies to upload the policy on its corporate website and provide a link of the same in the annual report

The Board of Directors (the “Board”) of Kokuyo Camlin Limited (hereinafter referred to as “KCL” or the “Company”) has adopted this Dividend Distribution Policy (the “Policy”) as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

Under Section 2(35) of the Companies Act, 2013, “Dividend” includes any interim dividend. In common parlance, “dividend” means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

**(II) OBJECTIVE**

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company would endeavor to pay sustainable dividend keeping in view the Company’s policy of meeting the long-term growth objectives from internal cash accruals

**(III) SCOPE**

The dividend distribution policy shall include the following parameters:

- the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- the financial parameters that shall be considered while declaring dividend;
- internal and external factors that shall be considered for declaration of dividend;
- policy as to how the retained earnings shall be utilized; and
- parameters that shall be adopted with regard to various classes of shares:

#### **(IV) DIVIDEND DISTRIBUTION POLICY**

Dividends on equity shares are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. The Board may also declare interim dividends, subject to the applicable laws. The Company specifies dividends in terms of a dividend rate, which is the percentage of the paid up capital per share or dividends in terms of INR per share.

The Board of Directors shall review the dividend distribution policy periodically.

#### **(V) CIRCUMSTANCES UNDER WHICH THEIR SHAREHOLDER CAN OR CANNOT EXPECT DIVIDEND:**

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and SEBI LODR Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. In case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

#### **(VI) FINANCIAL PARAMETERS ,INTERNAL AND EXTERNAL FACTORS THAT WILL BE CONSIDERED WHILE DECLARING DIVIDEND :**

The following parameters/factors may be considered by the Board before declarations or making any recommendations for the dividend include, but are not limited to,

- Capital expenditure for the current year;
- Future capital expenditure plans;
- Profits earned during the financial year;
- Past year earnings;
- expected future earnings;
- Debt position
- cost of raising funds from alternate sources;
- Cash position of the company;
- Cash flow position;

- Applicable taxes including tax on dividend;
- Pattern of past dividends;
- Dividend yield;
- External trends in dividend payment and PAT; and
- Industry-wise dividend pattern.

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

**(VII) POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILISED:**

The Company shall endeavor 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 utilize 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.

**(VIII) 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.

**(IX) CONFLICT IN POLICY:**

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

**(X) AMENDMENTS:**

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