



KAMA Holdings

**DIVIDEND DISTRIBUTION
POLICY**

Policy No :
Supersedes :
**Date of issue : 30 May
2019**
**Effective Date : 30 May
2019**

OBJECTIVES	This Policy shall provide the underlying philosophy, rationale and guidelines to distribute the surplus generated by the company, among its shareholders by way of cash Dividend including interim Dividend.
PHILOSOPHY	The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.
KEY PROCESSES THE GUIDELINES GOVERNS	Treasury and Secretarial
REGULATORY FRAMEWORK	This Dividend Distribution Policy has been formulated in line with Clause 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which require the top five hundred listed entities based on market capitalization (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.
PARAMETERS DECLARATION DIVIDEND FOR OF	<p>Board of Directors of the Company shall consider the following parameters for declaration of Dividend :-</p> <p><u>Financial Parameters/Internal Factors</u></p> <ul style="list-style-type: none"> • Standalone and Consolidated profit after tax • Working capital requirements • Capital expenditure requirements • Resources required to fund acquisitions and/or new businesses • Return on Capital Employed • Cost of borrowings • Cash flow required to meet contingencies • Outstanding borrowings and their servicing • Covenants in the financial facilities agreements • Past Dividend trends <p><u>External Factors</u></p> <ul style="list-style-type: none"> • Prevailing statutory requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws. • Dividend pay-out ratios of comparable companies. • Macroeconomic conditions • Expectations of major stakeholders including small shareholders.

<p>CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND</p>	<p>Shareholders may not expect Dividend under the following circumstances :-</p> <ul style="list-style-type: none"> • Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital; • Significantly higher working capital requirements adversely impacting free cash flow; • Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; • Whenever it proposes to utilise surplus cash for buy-back of securities • In the event of inadequacy of profits or whenever the Company has incurred losses; or • Any other event in which the Board of Directors may deem it fit to not declare dividend.
<p>UTILISATION OF RETAINED EARNINGS</p>	<p>The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:</p> <ul style="list-style-type: none"> • Expansion plans; • • Modernization plans; • Diversification of business; • Mergers and acquisitions; • Long term strategic plans; • Replacement of capital assets; • Where the cost of debt is expensive; • Other such criteria as the Board may deem fit from time to time.
<p>PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES</p>	<ul style="list-style-type: none"> • Presently, the Authorised Share Capital of the Company is divided into equity share of Rs. 10 each and Preference shares of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises equity shares and preference shares. • The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares. •
<p>PROCEDURE</p>	<ul style="list-style-type: none"> • The Whole-time Director, CFO & Company Secretary of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company. • The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal. • Pursuant to the provisions of applicable laws and this Policy, interim Dividend will be approved by the Board of Directors and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company. • The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.
<p>DISCLOSURE</p>	<ul style="list-style-type: none"> • Company shall make appropriate disclosures as required under SEBI Regulations, Companies Act, 2013 and other applicable laws.

GENERAL

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 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.