

KEI

Wires & Cables

KEI INDUSTRIES LIMITED

Regd. Office: D-90, Okhla Industrial Area, Phase – 1, New Delhi – 110020

CIN: L74899DL1992PLC051527, Tel.: +91-11-26818840, 26818642,

Website: www.kei-ind.com

DIVIDEND DISTRIBUTION POLICY: KEI INDUSTRIES LIMITED

1. PREFACE

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including amendments thereof) which requires top 1000 Listed Companies based on market capitalization to formulate a Dividend Distribution Policy, which shall be disclosed on its website and web-link shall also be provided in their Annual Reports .

Accordingly, this Dividend Distribution Policy has been formulated and approved by the Board of Directors of the Company. This Policy aims to lay down a framework with regard to distribution of dividend or retention of profits and to provide clarity to the stakeholders on the dividend distribution strategies of the Company.

2. DEFINITIONS:

- a) “**Listed Entity / The Company**” means “**KEI INDUSTRIES LIMITED**”.
- b) “**Policy**” means Dividend Distribution Policy.
- c) “**Board**” shall mean the Board of Directors of the Company.
- d) “**Act**” shall mean the Companies Act, 2013 and Rules thereunder (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- e) “**Dividend**” shall have the meaning as defined under the Act and includes any interim Dividend.
- f) “**Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- g) “**Stock Exchange**” shall mean a recognized Stock Exchange as defined under Securities and Exchange Board of India Act, 1992 (including any statutory modification or amendment or re-enactment thereof for the time being in force).
- h) “**Website**” means www.kei-ind.com or any modification thereof.

3. POLICY:

In adherence of the stated parameters of Regulation 43A of Listing Regulations Dividend Distribution Policy is set out herein below:

(A) THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND:

The Company has a good record of distributing continuous dividend to its shareholders from the past many years. The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. The Board of Directors shall declare dividend in compliance with the provisions of Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and any other provisions/rules/regulations as may be applicable from time to time.

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The Board of Directors may declare an interim dividend during any financial year out of the surplus in the profit and loss account and out of the profit of the financial year in which such interim dividend is sought to be declared.

However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following circumstances:

1. Adverse market conditions.
2. Prospective growth opportunities of the Company.
3. Inadequacy or absence of profit or Cash flow.
4. Higher working Capital requirements for business operations of the Company.
5. Other business condition(s) in the opinion of the Board it would be prudent to plough back the profits of the Company.
6. Decision to undertake any acquisition(s), amalgamation(s), merger, joint venture(s), new product(s) launch which require significant capital outflow.
7. Any other extra ordinary circumstances.

(B) THE FINANCIAL / INTERNAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND:

The financial/internal parameters which will be considered while declaration of dividend by the Board of Directors are as follows:

1. Profits earned and available for distribution during the financial year.
2. Accumulated reserves, including retained earnings
3. Past Dividend pattern/trends - rate of dividend, EPS and payout ratio, etc.
4. Operating Cash flow of the Company.
5. Earning Stability
6. Present and future Capital requirements of the existing business
7. Costs of borrowing of the Company, keeping in view of the growth opportunities.
8. Debt obligations of the Company.
9. Funds required to service any outstanding loans.
10. Liquidity and Return Ratios.
11. Provisioning for financial implications arising out of unforeseen events and/or contingencies.
12. Investments in new line(s) of business;
13. Additional investment in subsidiaries, joint ventures and associates of the Company.
14. Up gradation of/ Investment in technology and physical infrastructure and Expenditure on Research & Development of existing and new product.
15. Restrictions/covenants if any, contained in any lender agreement or any other arrangements.
16. Crystallization of contingent liabilities of the Company.
17. Any other relevant factors as deemed fit by the Board of Directors.

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(C) EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND:

External Factors which will be considered while declarations of dividend by the Board of Directors are as follows:

External factors:

- (i) Situation of Pandemic affecting the operations of the Company
- (ii) Economic Environment, both domestic and global.
- (iii) Unfavorable market conditions.
- (iv) Changes in Government policies.
- (v) Cost of raising funds from alternate sources
- (vi) Capital Markets.
- (vii) Global Conditions.
- (viii) Any political, tax and regulatory changes in the geographic in which the Company operates.
- (ix) Any other relevant factors as deemed fit by the Board of Directors.

(D) POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

Retained earnings will be used for the Company's growth plans, working capital requirements, debt repayments and other contingencies and any other permissible purposes.

(E) PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

Company has issued only Equity Shares at this point of time. In future if different classes of shares are issued, the parameters to be adopted with regard to those classes shall be decided accordingly.

4. DISCLOSURES

The Policy shall be disclosed on the website of the Company i.e. at www.kei-ind.com and weblink shall be given in the Annual Report of the Company.

5. REVIEW AND AMENDMENT

In case there are any modification(s) / amendment(s) / notification(s) / circulars(s), guidance note(s), informal guidance(s) issued by SEBI / MCA or judgements made by the Tribunal or any Court which has the effect of amendment in the Regulation(s) / Section(s) / Rule(s) made thereunder, the Chief Financial Officer and/or Company Secretary and/or Managing Director is/are authorized to make amendments in the Policy / Code as to the extent applicable. The amended Policy / Code shall be taken note by the Board of Directors / Committee in their ensuing Meeting(s).

Further, all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the said clause shall apply.

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6. DISCLAIMER

- a) The Policy does not constitute a commitment regarding the future dividends of the Company but only represents 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.
