



KILBURN ENGINEERING LIMITED

DIVIDEND DISTRIBUTION POLICY

**The revised policy has been approved by the Board of Directors at their
meeting held on 26th May, 2026**

INTRODUCTION

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations).

The Board of the Company considers it appropriate to adopt a Policy that would help establishing the principles to ascertain amounts that can be distributed to shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The philosophy of the Company is to maximize the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilize 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 distribute the surplus profits in the form of dividend to the shareholders.

The Board of Director the Company has adopted and formulated the Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company's website at www.kilburnengg.com

PURPOSE

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long-term capital appreciation for all stakeholders of the Company.

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board shall refer to the Policy while declaring/recommending dividends on behalf of the Company.

CATEGORY OF DIVIDENDS

The Board of Directors shall have the power to recommend final dividend to the equity shareholders for their approval in the Annual General Meeting of the Company. Subject to compliance with the provisions of Companies Act, 2013 including the Rules made thereunder and other relevant regulations, if any, the Board of Directors shall also have the absolute power to 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, as and when they consider it fit in compliance with Companies Act, 2013 and other relevant regulations. Interim Dividend may be paid in order to supplement the annual dividend or in exceptional circumstances.

PARAMETERS TO BE CONSIDERED

The regulation further prescribed that, the Policy shall include the following parameters:

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

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

i. Circumstances under which the shareholders may or may not expect Dividend

The Board has the discretion to recommend a higher or lower dividend keeping in mind the business considerations and other corporate actions which result in high utilization of cash. The shareholders may expect dividend for any financial year if there is surplus after taking into account the adjustments for previous years' losses if any, depreciation and all other statutory adjustments as mandated by various legal statutes. The Board may not recommend dividend in the event of insufficient profits after adjustments as required by statutory provisions and / or if it determines, considering the circumstances, that funds of the company need to be conserved for business needs or Significantly higher working capital requirements adversely impacting free cash flow; or Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; or Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.

ii. Financial Parameters / Internal Factors

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- a. Consolidated net operating profit after tax;
- b. Committed and projected cash flow needs owing to forecasted capital expenditure, anticipated investments in M&A and working capital requirements for current and projected periods;
- c. Capital expenditure requirements;
- d. Resources required to fund acquisitions and / or new businesses
- e. Cash flow required to meet contingencies; Reported and Projected statements of Free Cash Flow generation;
- f. Outstanding borrowings;
- g. Past Dividend Trends;
- h. Current and Projected Debt-raising capacity;
- i. The macro economic factors and the general business environment.

iii. External Factors

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- a. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- b. Dividend pay-out ratios of companies in the same industry;
- c. Policy decisions of the government that may affect

iv. Utilization of Retained Earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

v. Quantum and manner of dividend payout

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to pay upto 25% of distributable profits. However, the Board may amend the pay-out range, whenever considered appropriate by it, after taking into consideration of the matters such as the financial position, investments plan, economic conditions and liquidity, and other parameters as mentioned above.

The Company may declare dividends for a year, usually payable for a financial year, at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend a final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

vi. Parameters adopted with regard to various classes of shares

Preference shareholders shall receive Dividend at fixed rate as per the terms of allotment and shall stand in priority to the equity shareholder of payment of Dividend

Equity shareholder shall be entitled for the Dividend, interim or final, if recommended by the Board of Directors and confirmed or approved by the shareholders of the Company's the case may be. Equity Dividend shall stand second in priority after payment of dividend to the preference shareholder, if any.

PAYMENT OF DIVIDEND FROM RESERVES

Dividend shall normally be declared from the profit earned by the Company during the relevant financial year after adjusting for accumulated losses & unabsorbed depreciation, if any and out of the carried forward profits not transferred to any reserves. However, under special circumstances, Dividend may be declared out of the accumulated profits earned by it in previous years and transferred by it to the free reserves, subject to compliance with the requirements of the relevant provisions of the Companies Act, 2013 including the Rules made thereunder.

ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- a) **Entitlement:** The dividend shall be paid to the shareholders entitled to receive dividend on the record date as per the applicable laws. Dividend shall be paid on per share basis.
- b) **Timelines:** Dividend payments shall be made in accordance with the timelines stipulated under the Act, the corresponding rules, and the Listing Regulations. The applicable period for payment of interim and final dividends will be as mandated by prevailing statutory and regulatory provisions.

CONFLICT IN POLICY

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

DISCLOSURE OF POLICY

As per the Listing Regulations, the Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.arisinfra.com.

REVIEW

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

AMENDMENT

Any subsequent amendment / modification in the Companies Act, 2013, Listing Regulations and / or other applicable laws in this regard shall automatically apply to this Policy. The revision/ amendment to the Policy, if any, shall be subject to the approval of the Board, if and when practical difficulties are encountered.

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 shares.
