

**Krystal Integrated Services Limited  
(Previously known as Krystal Integrated Services  
Private Limited)**

**Dividend Distribution Policy**

## SUMMARY OF POLICY / CODE

Policy / Code Name	Dividend Distribution Policy
Related Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Issue Date	October 23, 2024
Effective Date	October 23, 2024
Review Cycle	Annually and upon regulatory change
Date of Last Review	November 07, 2025
Date of Next Review	<p>November 2026 or as and when required due to change in regulations and/or applicable laws.</p> <p>Any subsequent amendment/modification in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or applicable laws in this regard, shall automatically apply to this Policy.</p>
Company	Krystal Integrated Services Limited
Recommended by	-
Approver	Board of Directors

## **Krystal Integrated Services Limited**

### **Dividend Distribution Policy**

#### **Preamble:**

In compliance with the applicable provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has framed 'Dividend Distribution Policy' which will be effective from the date of adoption of the same by the Board of Directors (the Board).

#### **A. Objective:**

This Policy intends to assist investors and stakeholders for their investing decisions.

#### **B. Regulatory Framework:**

The Dividend, if any, declared by the Company (including Interim Dividend) shall be governed by the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the provisions in Company's Articles of Association.

#### **C. Parameters to be considered for declaration of dividend:**

##### **1. General:**

- The Board shall not recommend dividend if it is of the opinion that it is financially not prudent to do so.
- The Company shall ensure that distribution of dividend protects the rights of minority shareholders.

##### **2. Financial and Internal Parameters:**

The Board would consider the following financial and internal parameters before declaring or recommending dividend to shareholders:

- Stand-alone net operating profit after tax;
- Change in capital structure of the Company.
- Capital expenditure requirements and loan repayments;
- Resources required to fund acquisitions and growth;
- Working capital requirements;
- Cash flow required to meet contingencies;
- Outstanding borrowings and total debt equity ratio;
- Past dividend payment trends of the Company.

3. External Parameters:

- Provisions of tax laws governing dividend
- Economic environment and state of the capital markets
- Regulatory restrictions, if any and the prevalent statutory requirements

**D. Circumstances under which the shareholders may or may not expect dividend:**

It can be reasonably expected from the Company to declare dividend unless the Company is restrained to declare the same due to insufficient profits or due to any of the internal or external factors listed above.

Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buyback of existing share capital.

**E. Policy as to how the retained earnings shall be utilized:**

The profits being retained in the business shall continue to be deployed for augmentation of working capital, repayment of term loans, capital expenditure, to fund acquisitions, to fund in-organic growth and thus contributing to the growth of business and operations of the Company.

**F. Parameters that shall be adopted with regard to various classes of shares:**

The Authorised Share Capital of the Company is INR 15,00,00,000/- (INR Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of face value INR 10/- each.

At present, the issued and paid-up share capital of the Company comprises of only equity shares. However, the Company shall first declare dividend on outstanding preference shares, if any in future, as per the terms of issue of such preference shares, and thereafter, the dividend would be declared on the equity shares.

The equity shareholders of the Company, as on the record date to be decided, shall be entitled to receive dividends.

**G. Procedure for deciding quantum of dividend:**

- The Chief Financial Officer after considering the parameters mentioned above and in consultation with the Managing Director and the Chief Executive Officer of the Company may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- The final dividend recommended by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting.
- The interim dividend declared by the Board requires confirmation by the shareholders in the ensuing Annual General Meeting.
- In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and Regulations from time to time.

**H. Disclosure:**

The Company shall make appropriate disclosures as required under the Listing Regulations.

**I. Amendments:**

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

**J. Effective Date:**

This policy shall be effective from October 23, 2024.

\*\*\*\*\*