



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

Dividend Distribution Policy

SUMMARY OF POLICY / CODE	
Owner / Created by	Secretarial Team
Adherence by	Board of Directors
Version	1.3
Effective Date	October 23, 2024
Last Review Date	November 07, 2025
Review Frequency	AN - Annually OT - Other i.e upon regulatory change
Related Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Next Review Date	August 2027 / as and when required due to change in regulations and / or applicable laws. Any subsequent amendment / modification in the Listing Regulations and / or applicable laws in this regard shall automatically apply to this Policy
Reviewed by	-
Approved by	Board of Directors
Approval Date	August 04, 2026
Confidentiality level	Board

Change History				
Version	Effective Date	Created by	Approved by	Description of change
1.1	October 23, 2024	Secretarial Team	Board of Directors	Initial Policy
1.2	November 07, 2025	Secretarial Team	Board of Directors	Annual review; and no changes were required.
1.3	August 04, 2026	Secretarial Team	Board of Directors	Annual review; and no changes were required.

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 19,00,00,000/- (INR Nineteen Crores Only) divided into 1,90,00,000 (One Crore Ninety 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.
