

## **KILBURN OFFICE AUTOMATION LIMITED**

CIN: L27106WB1980PLC033140

Registered Office: VASUNDHARA BUILDING,  
2<sup>nd</sup> Floor Space No.5 And 6, 2/7, Sarat Bose Road,  
Kolkata – 700017, West Bengal  
www.kilburnoffice.in

### **KILBURN DIVIDEND DISTRIBUTION POLICY**

The Board of Directors (the "Board") of Kilburn Office Automation Limited (the "Company") has adopted the Kilburn Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in its meeting held on February 14, 2025.

#### **EFFECTIVE DATE**

The Policy shall become effective from the date of its adoption by the Board i.e. February 14, 2025.

#### **PURPOSE**

To help the investors in taking well informed investment decisions.

#### **DEFINITIONS**

Any term used in this policy shall have the meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act, 1992 or Rules and Regulations made thereunder or any other relevant legislation/law, as amended from time to time, applicable to the Company

#### **STATUTORY PROVISIONS:**

Chapter VIII of the Companies Act, 2013 and rules made there under contain the provisions pertaining to declaration and payment of dividend. The following points set out the statutory obligations of a Company with respect to declaration / payment of dividend:

- Company shall declare or pay dividend, for any financial year, only out of the profits of the Company for that financial year.
- Such profits shall be after providing for depreciation in accordance with the provisions of the law.
- In case of inadequacy or absence of profits in any year, a maximum of 10% of paid-up capital can be declared as dividend, subject to other provisions contained in the Companies (Declaration and Payment of Dividend) Rules, 2014.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also specify certain conditions as to declaration of dividend such as prior intimation to the stock exchanges, record date etc.

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### **A. GENERAL POLICY OF THE COMPANY AND OTHER CONSIDERATIONS AS REGARDS DIVIDEND**

The Board shall consider the following, while taking decisions of a dividend pay-out during a particular year

#### **1. Statutory requirements**

The Company shall observe the relevant statutory requirements which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

#### **2. Prudential requirements**

Prior to declaration / recommendation of any dividend as per this policy, the Company may consider any applicable covenants / conditions or restrictions imposed by any lenders, JV partners of the Company or its subsidiaries. The Company may decide to retain earnings in entirety for a particular year(s) for its growth / expansion, consequently resulting in shareholders' wealth creation.

#### **3. Extent of realized profits as a part of the IND AS profits of the Company**

The extent of realized profits out of its profits calculated as per IND AS, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.

#### **4. Expectations of stakeholders, including small shareholders**

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, consider the expectations of the stakeholders including the small shareholders of the Company who generally expects for a regular dividend payout.

### **B. OTHER FINANCIAL PARAMETERS**

In addition to the aforesaid parameters such as realized profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following

1. Current earnings of the Company
2. Operating cash flow of the Company
3. Dividend History
4. Repayment/Pre-payment of Borrowings
5. Future Earnings Expectation
6. Capital Expenditure Requirements requiring ploughing back of profits i.e. future capital expenditure program including
  - Market expansion plan;
  - Product expansion plan;
  - Increase in production capacity;
  - Modernization plan;

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- Diversification of business;
  - Long term strategic plans;
  - Acquiring new businesses/products
7. Crystallization of contingent liabilities, if any
  8. Exchange Risk
  9. Sale of businesses
  10. Economic / Geo-political factors/risks
  11. Regulatory requirements

### **C. INTERIM/FINAL DIVIDEND PAYOUT**

Pursuant to the provisions of applicable laws and the Policy, interim dividend approved by the Board of Directors will be confirmed by the shareholders and final dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the relevant 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.

### **D. CLASSES OF SHARES**

At present, the issued and paid-up share capital of the Company comprises only of equity shares. As and when the Company issues any other class(es) of shares, the Board of Directors may suitably declare dividend on such class(es) in accordance with the provisions of the Companies Act, 2013 and this policy.

### **E. DISCLOSURES**

Company is required to disclose this policy on its website and also in the Annual Report of the Company. The Company shall make other appropriate disclosures pertaining to declaration of dividend as required under the Companies Act, 2013 and the rules made thereunder, the SEBI Act, 1992 or the rules and regulations made thereunder and any other law applicable.

### **F. AMENDMENT**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in conformity with the provisions of Companies Act, 2013 and the rules made thereunder, the SEBI Act, 1992 or the rules and regulations made thereunder and any other law applicable.

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### **G. DECLARATION OF DIVIDEND ON PARAMETERS NOT MENTIONED IN THE POLICY**

If the Company proposes to declare dividend on the basis of parameters in addition to those mentioned in the policy it shall disclose such changes along with the rationale for the same in its annual report and on its website.

### **H. LIMITATIONS**

The Policy shall not apply to:

- Special dividend, if any, to be outside the scope of this policy but would be governed by the provisions under the Companies Act, 2013.
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Buyback of equity shares.

This policy shall be reviewed periodically and may be amended by the Board of Directors of Kilburn Office Automation Limited, subject to applicable law.