

Borosil Scientific Limited
(Formerly known as Klass Pack Limited)

DIVIDEND DISTRIBUTION POLICY

Document Name	DIVIDEND DISTRIBUTION POLICY
Effective date	23-11-2023
Approving Authority	Board of Directors
Current Version	V1
Version History	-
Last Review Date	-

BOROSIL SCIENTIFIC LIMITED

DIVIDEND DISTRIBUTION POLICY

This policy applies to the distribution of dividend by **Borosil Scientific Limited (Formerly Klass Pack Limited)** (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

Title

This policy shall be called as “Dividend Distribution Policy”.

Definitions

The terms referred to in the policy shall have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Listing Regulations.

Background

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be uploaded on the website of the listed entities and a link thereof shall be provided in their annual reports.

This Policy sets out the parameters and circumstances that shall be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

A. The circumstances under which the shareholders may or may not expect dividend

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

B. The financial /internal parameters that shall be considered while declaring dividend

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

1. Capital allocation plans including:
 - a) Expected cash requirements of the Company towards working capital, capital expenditure to meet expansion needs;

- b) Investments required towards execution of the Company's strategy;
 - c) Funds required for any acquisitions that the Board of Directors may approve; and any share buy-back plans.
2. Minimum cash required for contingencies or unforeseen events;
 3. Funds required to service any outstanding loans;
 4. Liquidity and return ratios;
 5. Any other significant developments that require cash investments.

C. External factors that shall be considered for declaration of dividend

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

1. Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
2. Any political, tax and regulatory changes in the geographies in which the Company operates;
3. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
4. Any changes in the competitive environment requiring significant investment.

D. Utilization of Retained Earnings

The Company believes in cash retention for growth, expansion and diversification including acquisition to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

1. Capital expenditure for working capital
2. Organic and/or inorganic growth
3. Investment in new business(es)
4. Additional investment in existing business(es)
5. Declaration of dividend
6. Capitalization of shares
7. Buy back of shares
8. General corporate purpose, including contingencies
9. Any other permitted usage as per the Companies Act, 2013

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

The profits earned by the Company can either be retained in the business and used for various purposes as outlined above or it can be distributed to the shareholders.

F. Provisions in regard to various classes of shares.

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

Review

This policy will be reviewed and amended as and when required by the Board.

Limitation and Amendment

In the event of any conflict between the Act or the SEBI Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.
