DIVIDEND DISTRIBUTION POLICY

(As Approved and adopted by the Board of Directors in their meeting held on 10/02/2022)

PREFACE

The Board of Directors (the "Board") of Kanpur Plastipack Limited (the "Company") at its meeting held on February 10, 2022 has adopted this Dividend Distribution Policy (the "Policy") in accordance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations").

STATUTORY REQUIREMENTS

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires top 1000 listed entities (calculated as on March 31 of every financial year) to formulate a dividend distribution policy. Accordingly, although the Company is not required to formulate the Dividend Distribution Policy, yet in its endeavour to follow better Corporate Governance practices, the Company has adopted the Dividend Distribution policy.

SCOPE AND OBJECTIVE

The Policy seeks to lay down a broad framework for the distribution of dividend by the Company at the same time appropriately balancing needs of the Company to retain resources for the its growth & sustainability. Through this policy, the Company endeavors to maintain fairness and transparency while considering distribution of dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of the shareholders and the Company for providing transparency and maximize the shareholders' wealth in the Company.

DEFINITION

(i) **"Act"** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

(ii) **"Applicable Laws"** shall mean the Companies Act, 2o13 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

(iii) **"Dividend"** shall mean Dividend as defined under Companies Act, 2013 and includes Interim dividend.

(iv) "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

PARAMETERS

(a) THE CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND –

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in the Business.

The shareholders of the Company ***may not expect dividend or expect reduced dividend*** in comparison to previous year in the following circumstances, subject to the discretion of the Board of Directors:

a) the Company has inadequacy of profits or incurs losses for the Financial Year;

b) the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;

c) the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.

d) the Company has significantly higher working capital requirement affecting free cash flow.

e) the Company proposes to utilize surplus cash for buy- back of securities;

f) the Company is prohibited to recommend/declare dividend by any regulatory body.

The shareholders of the Company ***may expect dividend or higher dividend i***n comparison to previous year only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., after complying with the statutory requirements under the Applicable Laws and subject to the other financial parameters.

(b) THE FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The financial parameters that shall be considered while declaring dividend shall be like available Cash Flows, Profit After Tax (PAT), Return on Assets (RoA), Return on Equity (RoE), Earnings Per Share (EPS) and Dividend Payout Ratio, etc.

(c) INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

INTERNAL FACTORS	EXTERNAL FACTORS
i. Profits earned during the year. ii. Present & future Capital requirements of the existing businesses including any acquisition. iii. Expansion/ Modernization of existing businesses. iv. Investments in subsidiaries/associates of the Company. v. Past dividend trends – rate of dividend, EPS and payout ratio, etc. vi. Any other factor as may deemed fit by the Board.	i. Economic environment, both domestic and global. ii. Market conditions. iii. Changes in Government policies and regulatory provisions . iv. Cost of raising funds from alternate sources . v. Inflation rates. vi. Sense of shareholders' expectations vii. Cost of external financing.

(d) POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The Company shall endeavour to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also to its shareholders. The ultimate objective of the policy is the Growth for the shareholders by way of distribution of dividend or by way of investment for the growth of the Company for further higher returns to the shareholders.

The Company may utilize the retained earnings for making investments in the Business of the Company for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

(e) PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

PROCEDURAL ASPECTS

(1) The Board of Directors of the Company at any point of time, once or more than once in an year, before finalization of the accounts of the Company, if consider appropriate, declare Interim Dividend for the year.

(2) The Board of Directors of the Company at the time of finalization of the Books of Account for the financial year may recommend the final dividend for the financial year which shall be subject to the approval of the shareholders at the Annual General Meeting.

(3) The Company shall follow the procedure as laid down under Section 123, 124 and 125 of the Act while declaring/ recommending / distributing any Dividend.

(4) The dividend shall be declared and paid on per share basis only.

REVIEW AND AMENDMENT

Any or all provisions of this Policy would be subject to the revision/ amendment to the Listing Regulations or related circular, notification, guidance notes issued by SEBI or relevant authority, on the subject from time to time. The Board of Directors of the Company may as and when deemed necessary may review and modify suitably this Dividend Policy.

DISCLOSURE

This policy will be available at the website of the Company at the following link :

https//www.kanplas.com/en/policies

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Act or Listing Regulations, the Act and the Regulations shall prevail.

DISCLAIMER

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.