DIVIDEND DISTRIBUTION POLICY

This policy sets the guideline to be followed while deciding on payment of dividend to its shareholders by the Company in accordance with the provisions of Companies Act, 2013 (the Act) and applicable rules thereunder.

PREAMBLE

Regulation 43A of the SEBI(LODR) Regulations, 2015 requires the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports .The other listed companies may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

OBJECTIVE

The Policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. This Policy aims to ensure that the Company makes rational decision with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes. It lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/declaration of dividend to its shareholders.

DEFINITIONS

a. "Act" means the Companies Act, 2013 and Rules made thereunder as amended from time to time

b. "Applicable laws" shall mean to include Companies Act 2013 and Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other regulation, rules, acts, guidelines as may be applicable to the distribution of dividend.

c. "Board" or "Board of Directors" shall mean Board of Directors of the Company, as constituted from time to time.

d. "Company" shall mean Khazanchi Jewellers Limited

e. "Dividend" includes any interim dividend; which is in conformity with Section 2(35) and Section 123 of the Act read with Companies (Declaration and Payment of Dividend) Rules, 2014.

f. "Financial year" shall mean the period starting from 1st day of April and ending on the 31st day of March every year.

g. “Free reserves” shall mean the free reserves as defined under Section 2 (43) of the Act.

POLICY FOR DECLARATION OF DIVIDEND

a. Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Act. The Board may also declare interim dividends as may be permitted by the Act

b. The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

c. Dividend would continue to be declared on per share basis on the Equity Shares of the Company having face value Rs.10 each. Presently, the Authorized Share Capital of the Company is divided into Equity Shares of Rs.10 each.

d. At present, the issued and paid-up share capital of the Company comprises of only Equity Shares of Rs.10 each which rank with respect to all their rights. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date. There are no other classes of shares except as mentioned above.

e. As in the past, subject to the provisions of the applicable law, the Company’s dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total **dividend pay-out ratio** in the range of **5% to 20%** of the annual standalone Profits after Tax (PAT) of the Company.

DECIDING CRITERIA FOR DIVIDEND DECLARATION AND UTILIZATION OF RETAINED EARNINGS

The Company recognizes that shareholders seek returns in form of dividend as well as capital appreciation; hence, the Board of Directors will endeavor to consider this aspect along with several internal and external factors while deciding the dividend criteria.

External factors:

1. Industry outlook/scenario of the customers

2. Overall economic scenario

3. Statutory/Regulatory requirements

4. Investment opportunities

5. Dividend pay out ratios of comparable companies.

Internal factors:

1. Profit earned during the year which shall be measured by various ratios like net profit ratio, current ratio, debt-equity ratio and ratio of profit on total assets.

2. Cash flow after considering repayment of borrowings, if any.

3. Capex requirements of existing business.

4. Acquisition and / or expansion plans.

5. Investment needs of subsidiary companies.

6. Stability of dividend pay-out.

7. Any other factor that the Board may consider appropriate.

The Board will have to judiciously weigh the external and internal factors for the dividend pay-out to maintain consistency of dividend payouts. It is expected that with improvement in results the dividend pay-out will improve.

Circumstances under which shareholders may not expect dividend:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirement for business operations or otherwise.

iii. In the event of inadequacy of cash flow available for distribution.

iv. In the event of inadequacy or absence of profits.

v. Allocation of internal accruals to tide over business disruptions.

The Board may consider not declaring dividend or may recommend a lower pay-out for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as financial and operational environment.

PROCEDURE

1. The Board of Directors of the Company will analyze all the parameters and recommend appropriate dividend.
2. The Company Secretary & Compliance Officer of the Company shall ensure compliance of Insider Trading Rules of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Board of Directors shall approve the declaration or recommendation of Dividend after ensuring compliance of Act, SEBI Regulations and this Policy.
4. The Company shall ensure compliance of provisions of Act, SEBI Regulations and this Policy in relation to dividend

MODE OF PAYMENT

The payment of the dividend would be in cash:

i. Through electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. for making payment of dividend. OR

ii. Through issuance of 'payable-at-par' warrants/ cheques, in case where bank details are not available or the electronic payment instructions have failed or have been rejected by the bank.

TRANSFER TO IEPF

The dividend remained unpaid and unclaimed for a period of 7 years (as per the provisions of Sections 124(5) of the Companies Act, 2013) shall be transferred to Investors Education and Protection Fund set up by the Government in that regard.

REVISION

The Board of Directors have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Applicable laws / Regulations or otherwise. This Policy is updated on **May 22, 2026.**

DISCLOSURES

The Company shall make appropriate disclosures in compliance with the provisions of the Listing Regulations, in particular the disclosures required to be made in the annual report and on the website of the Company. The policy will be available on the Company's website. The Policy will also be disclosed in the Company's Annual Report.