

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

This Policy sets out the guiding principles for the declaration and distribution of dividends by Kanohar Electricals Ltd., in compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective is to balance rewarding shareholders and retaining earnings for future growth.

Accordingly, the Board has adopted the Policy vide Board Resolution dated January 10, 2026 which can be further amended from time to time.

2. PARAMETERS FOR DIVIDEND DECLARATION

While recommending or declaring dividend, the Board of Directors will consider, among others, the following factors:

- Financial performance of the Company, including profits, cash flows, and reserves.
- Present and future capital requirements, including investment and expansion plans.
- Applicable laws and regulatory requirements.
- Liquidity position and debt obligations.

3. CIRCUMSTANCES FOR NON-DECLARATION OF DIVIDEND

Dividend may not be declared under the following circumstances:

- Inadequacy of profits or cash flows.
- Requirement of funds for growth opportunities, expansion, acquisitions, or other strategic initiatives.
- Any regulatory restrictions or covenants.

4. UTILIZATION OF RETAINED EARNINGS

Retained earnings may be used for business expansion, capital expenditure, strengthening the balance sheet, repayment of debt, or other purposes as may be determined by the Board.

5. GENERAL

- The Board may declare interim dividend(s) and recommend final dividend, subject to approval of shareholders where applicable.
- If the Board does not recommend dividend in any financial year, the reasons shall be disclosed in the Annual Report.

6. DISCLOSURE

This Policy shall be disclosed on the Company's website and a web link shall be provided in the Annual Report, as required under applicable laws.