



KNACK PACKAGING LIMITED
DIVIDEND DISTRIBUTION POLICY
(Regulation 43A of SEBI LODR Regulations)

CIN: U25200GJ2013PLC073847

**Registered Office: 330/A, Kalasagar Shopping Hub, Opp Saibaba Temple, Satadhar Cross Road, Ghatlodiya,
Ahmedabad, Gujarat, India, 380061**

Name of the Document	Dividend Distribution Policy
Issuing Authority	Board of Directors of the Company
Owner of the Document	Company Secretarial Department
Approval Date	25 August, 2025
Effective Date	From the date of Listing

1. **TITLE**

This Policy shall be called ‘**Dividend Distribution Policy**’.

2. **COMMENCEMENT**

2.1 This Policy shall come into force with effect from listing of the Company on Recognized Stock Exchange(s).

3. **APPLICABILITY:**

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 weblink 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.

The Board of Directors (“the Board”) of Knack Packaging Limited (“the Company”) vide its resolution has voluntarily resolved to adopt the following policy on dividend distribution with a view to inform the shareholders about how it aims to utilize extra profits and the parameters that shall be adopted with regard to the equity shares.

4. **OBJECTIVE**

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc. The Board of Directors may consider a declaration of interim dividend depending upon the cash flow situation of the Company.

The dividend distribution shall be as per the recommendations of the Board and shall always be decided at a general meeting of shareholders. Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board may consider a higher dividend payout ratio, while trying to ensure that sufficient funds are retained for growth of the Company.

4.1 This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) (“**SEBI Listing Regulations**”).

a. The Company shall make appropriate disclosures as required under the SEBI Listing Regulations.

5. **DEFINITIONS**

5.1 “**Board of Director**” or “**Board**” means the Board of Directors of Knack Packaging Limited, as constituted from time to time.

5.2 “**Company**” means Knack Packaging Limited

5.3 “**Policy**” means this policy on Dividend Distribution as amended from time to time.

5.4 “**SEBI Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

5.5 “**Financial year**” shall mean the period starting from 1st day of April and ending on 31st day of March every year.

6. **DECLARATION OF DIVIDEND**

The declaration and payment of dividend shall be in accordance with the provisions of Sections 123 to 128 of the Act. Pursuant to the provisions of Section 123 of the Act, the Board shall recommend dividend for any financial year subject to the following out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy subject to compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.

7. PARAMETERS FOR DIVIDEND PAYOUT

7.1 The circumstances under which the shareholders may or may not expect dividend:

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

- i) Prospective growth opportunities/threats/concerns of the Company;
- ii) Inadequacy or absence of profits;
- iii) Higher working capital requirements for business operations of the Company.
- iv) whenever the Company proposes to utilize surplus cash for buy- back of securities or setting off of previous year losses or losses of its subsidiary(ies); and
- v) whenever declaration of dividend is prohibited by any regulatory body.
- vi) Distributable surplus available as per the Companies Act, 2013 and Listing Regulations

7.2 Financial Parameters including Internal Factors that shall be considered while declaration of dividend:

The financial parameters which would be considered while declaration of dividend by the Board are as follows:

- i) Profits of the Company;
- ii) Past dividend pattern;
- iii) Major capital expenditure to be incurred by the Company;
- iv) Cash flow requirements of the Company;
- v) Debt-equity ratio of the Company;
- vi) Cost of borrowing of the Company, keeping in view the growth opportunities;
- vii) Debt obligations of the Company;
- viii) Investments in new business;
- ix) Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- x) Reputation of the Company;
- xi) Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

7.3 Category of Dividends

The provisions of the Companies Act, 2013, as amended ("Companies Act") provide for two forms of Dividend i.e., Interim & Final. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividends during the financial year, as and when they consider it fit.

i. Final Dividend

The Board of Directors of the Company has the power to recommend the payment of a Final Dividend to the shareholders in a general meeting, which shall be paid once for the financial year after the annual accounts is prepared. The declaration and payment of such Final dividend shall be subject to the approval of shareholders of the Company and shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

ii. Interim Dividend

The Board of Directors of the Company, in accordance with Article of Association of the Company, can declare an interim dividend during the any current financial year, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

7.4 External Factors that shall be considered while declaration of dividend:

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

- i) Regulatory requirements;
- ii) Economic environment;
- iii) Political/geographical situations;
- iv) Inflation rate;
- v) Industry Outlook for future years.

7.5 Utilization of Retained Earnings:

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

- i) Capital expenditure for working capital;
- ii) Organic and/or inorganic growth;
- iii) Investment in new business(es);
- iv) Additional investment in existing business(es);
- v) Declaration of dividend;
- vi) Capitalisation of shares;
- vii) Buy back of shares;
- viii) General corporate purposes, including contingencies;
- ix) Any other permitted usage as per the Companies Act, 2013.

7.6 Parameters with regard to various classes of shares:

Dividend would continue to be declared on the face value of the Equity Shares and on a per share basis of the Company. Presently, the issued share capital of the Company comprises of only one class of equity shares of Rs.10each. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

8. DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. <https://knackpackaging.com/>.

9. DISCLAIMER

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

10. AMENDMENTS

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.