A. K. CAPITAL SERVICES LIMITED

BUILDING BONDS

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1) Objective:

A. K. Capital Services Limited ("***the Company***") is a SEBI registered Category I Merchant Banker. The objective of the Dividend Distribution Policy of the Company is to reward its shareholders by sharing a portion of the profits.

Towards this end, the Company has been consistently declaring and distributing dividend to its shareholders for the past one and a half decades. Now, the Dividend Distribution Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of dividend from time to time.

2) Definitions:

Unless repugnant to the context:

a) "***Act***" shall mean the Companies Act, 2013 including the Rules made thereunder.
b) "**Company**" shall mean A. K. Capital Services Limited.
c) "***Board***" or "***Board of Directors***" shall mean Board of Directors of the Company.
d) "***Dividend***" shall include interim dividend and shall have the same meaning as defined under the Companies Act, 2013.
e) "***Dividend payout ratio***" is a percentage of 'dividend payable in a year' (excluding dividend tax) to 'net profit during the year'.
f) "***SEBI***" shall mean the Securities and Exchange Board of India.
g) "***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 modifications or re-enactments thereof for the time being in force.

Any term(s) and, or expression(s) not defined in this policy shall have the same meaning as defined in the applicable provisions of the Act, and any other applicable laws, rules and / or regulations.

3) Applicability of the Policy:

As per Regulation 43A of SEBI Regulations, top 1000 listed entities based on market capitalization, 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. As on date, the Company does not fall within the specified criteria mentioned above. However, as a part of good corporate governance practice, the Company has adopted this Dividend Distribution Policy. Further, this Policy shall be strictly applicable to the Company once it fulfils the specified criteria.

4) Policy for declaration of dividend:

The Board of Directors may recommend / declare the dividend at its discretion considering the operating and financial performance of the Company as well as applicable legal and regulatory laws.

The amounts paid as dividend in the past does not necessarily indicate the dividend to be paid in the future and so the rate and the amount of dividend may vary from time to time.

5) Financial parameters, Internal and External Factors that shall be considered for declaration of dividend:

a) **Financial parameters and Internal Factors**

- Distributable surplus available as per the Act and SEBI Regulations;
- Retained earnings;
- Financial performance of the Company;
- Optimal cash position requirement to fund exigencies, if any; and
- Internal capital planning framework/policy;
- Cost of raising funds from alternate sources of capital;
- Such other factors and/or material events which the Board of Directors of the Company may consider.

b) **External Factors**

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
- Macro-economic conditions and general business environment;
- Prevailing inflation rate; and
- Other factors and/or significant events that the Board of Directors may deem necessary to consider from time to time

The decision of the Board regarding dividend shall be final.

6) Utilization of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend. The retained earnings will be used for the Company's long term growth plans, capital requirements, distribution to shareholders or as per the decision of the Company's Board, for the benefit of the Company.

7) Circumstances under which the shareholders may or may not expect dividend:

The distribution of dividend will be subject to the following circumstances:

a) Profit in the year under consideration
b) Fulfilment of net worth / capital adequacy as prescribed by the Regulators.
c) Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
d) Impending / on-going capital expenditure program or any acquisitions or investment in subsidiaries / joint ventures requiring significant allocation of capital;
e) An event having serious impact on business or creating uncertainty;
f) For any other reason as the Board may deem fit from time to time.

8) Frequency of Dividend Distribution:

After taking into consideration the factors enumerated in this Policy, the Board may consider one or more interim dividend in addition to final dividend for a financial year in accordance with the Act and SEBI Regulations. The considerations applied for both types of dividends will be same as enumerated above.

9) Parameters with regard to various classes of shares

The Company has only one class of shares as on date. If in future, the Company issues any other class of shares, the Board will determine payout of dividend for such class of shares in accordance with the terms of issue of the said class of shares, the applicable provisions of the Act and the Articles of Association of the Company.

10) Disclosure of this Policy:

The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

11) Review and Amendment:

The Company shall reserve the right to review and make amendment to this Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force. In the event of any conflict between the provisions of this Policy and the Act or regulations or rules or any other statutory enactments, the provisions of the Act or regulations or rules or statutory enactments shall prevail over this Policy.

12) Disclaimer:

a) This Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. This 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.

b) Given the aforementioned uncertainties, all the stakeholders, including prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.