IL JIN ELECTRONICS (INDIA) LIMITED
(FORMERLY KNOWN AS IL JIN ELECTRONICS (INDIA) LIMITED)

Dividend Distribution Policy

Approved and adopted by the Board of Directors of the Company at its meeting held on 30th October 2026

1. PREAMBLE

This Dividend Distribution Policy ("Policy") has been framed in accordance with the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The policy is in the interest of providing transparency to the shareholders, sets out the circumstances and different factors for consideration by the Board at the time of deciding on distribution or of retention of profits. In view of the said requirement, the Board of the Company recognizes the need to lay down a broad framework with regard to the distribution of dividend to its shareholders and utilization of the retained earnings. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company.

The Company would ensure to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes. The Board will have regards to this policy while declaring/recommending dividends on the behalf of the Company. Through this policy, the Company would strive to maintain consistent approach to dividend pay-out plans.

For the purpose of this Policy, Dividend includes Interim Dividend.

The Board of Directors of the Company ("the Board") at its meeting held on 30th October 2026 had approved and adopted the Policy pursuant to the terms of Regulation 43A of the SEBI (LODR) Regulations.

The policy shall become effective from the date of its approval by the Board i.e. 30th October 2026.

2. OBJECTIVES

The objective of the Dividend Distribution Policy of the Company is to define the various factors affecting the dividend decision, i.e.:

i. Defining internal and external factors impacting the dividend decision;
ii. Financial parameters affecting dividend decision;
iii. Circumstances leading to declaration of dividend or the lack of it;
iv. Defining dividend distribution payment form and method.

3. PARAMETERS

i. Operating Performance:

The Board shall determine the dividend pay-out in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management (Whole Time Director and Director) and other relevant factors in this regard.

ii. Operating Cash flow of the Company:

In case of inadequacy in operating cash flow, the Company may need to rely on external funding to meet its financial obligations and other working capital needs. The Board will consider the same before its deciding on whether to declare dividend or retain its profits.

iii. Inadequacy of Profits:

If during any financial year, the Board determines that the profits of the Company are inadequate or in the event of loss, the Board may decide not to declare dividends for the financial year.

iv. Statutory/ Regulatory requirements and tax considerations:

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve(s), as may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Dividend distribution tax as per applicable tax regulations in India.

Any restriction on payment of dividends by virtue of any regulation, if any, as may be applicable to the Company at the time of declaration of dividend.

v. Operational and working capital requirements, provision for depreciation and capital expenditure plans:

In addition to the operational and working capital requirements, the Board may also take into account the need to plough back the earnings on account of depreciation, replacement of capital assets, expansion and modernization or augmentation of capital assets, including any major capital expenditure proposal(s) and inter-corporate investments.

vi. Prudential requirements:

The Company may take into account the following prudential requirements:

a) The need to augment long term financial resources for the Company

b) Ability of the Company to raise finance from the lending markets and capital markets and prevailing market conditions thereto.

c) Prospective projects and strategic decisions in order decide to build a healthy reserve of retained earnings

vii. Stakeholder's expectations:

The Board, while considering the decision of dividend pay-out or retention of a certain amount entire profits of the Company, shall, as far as possible, consider the expectations of the major stake holders including the small shareholders of the Company, who generally expect a regular dividend pay-out.

4. OTHER SIGNIFICANT PARAMETERS

4.1. Circumstances under which the shareholders may or may not expect dividend:

The Shareholders of the Company may not expect Dividend in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;

- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company has significantly higher working capital requirement affecting free cash flow.
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

4.2. Financial parameters that shall be considered while declaring dividend:

a) Profits earned during the year;
b) The need for ploughing back the profits into business;
c) Need for conservation of cash due to economic downturn;
d) Additional investments in subsidiaries/associates/Joint Ventures.

4.3. Internal and External factors to be considered while declaring dividend.

The decision regarding dividend pay-out is a crucial business decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business. The Board may decide to declare / recommend dividend, subject to several factors and hence, any optimal policy in this regard may depend upon multifarious factors.

The dividend pay-out decision depends upon the following external and internal factors:-

External Factors:

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.
- Any other relevant factors as may be deemed fit by the Board of the Company, including:

i. Policy on utilisation of retained earnings: The Company may utilise the retained earnings for issue of fully paid bonus shares, buy back of shares, restructuring events including mergers and acquisitions, other general factors specified in this policy and for such other purposes as may be statutorily permissible.

ii. Parameters adopted with regard to various classes of shares:

a) At present, the issued, subscribed and paid-up share capital of the Company comprises different classes of shares. The rights and obligations attached to each class of shares, including voting rights, dividend rights, conversion rights, redemption rights (where applicable), and other privileges or restrictions, shall be governed by the terms of issue, the Articles of Association of the Company, and applicable provisions of law.

b) The payment of dividend shall be made in accordance with the rights attached to the respective class of shares and the terms governing their issuance.

c) Dividends shall be declared and paid out of the Company's distributable profits and/or such reserves as may be permitted under applicable law. The amount of dividend payable to holders of each class of shares shall be determined in accordance with the rights attached to such class of shares and, where applicable, shall be distributed among the holders of that class on a pro rata basis according to the number of shares held by them.

5. RATE/ QUANTUM OF DIVIDEND

It has always been the Company's endeavour to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business, to the shareholders, in the form of dividend. The Company would maintain a dividend pay-out as may be determined by the Board from time to time, considering the general business factors and other significant parameters specified in this policy.

6. THE POLICY SHALL NOT APPLY TO

- Determination and declaring dividend on preference shares, if any to be issued by the Company at a later date, as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, for instance by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

7. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the SEBI (LODR) Regulations, the SEBI (LODR) Regulations shall prevail.

8. DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. www.iljin.co.in. and a web-link shall also be provided in the annual reports of the Company.

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9. AMENDMENTS TO THE POLICY

This policy may be amended by the Board of the Company at any time either suo-moto and / or pursuant to amendments to the SEBI (LODR) Regulations, or such other law, rules, regulations, standards, guidelines as applicable. If there is any amendment to the policy, this policy will be deemed to have been amended and such amendment will take effect from date of the approval of such amendment.

10. DISCLAIMER

a) 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.

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

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