



Kolte-Patil Developers Limited

Dividend Distribution Policy

1) Introduction

The Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, with effect from May 5, 2021, requires the top one thousand listed companies based on market capitalization as at March 31st of every financial year to formulate and disclose the Dividend Distribution Policy in the annual report and on the corporate website.

Kolte-Patil Developers Limited (“the Company”) being one of the top one thousand listed companies as per the market capitalization as on the March 31, 2021, has adopted this policy to comply with the regulations.

2) Philosophy

The Company is a one the prominent listed company and has dominant presence in the real estate development industry. The philosophy of the Company is to maximise the shareholders’ wealth on a consistent basis through growth while focusing on key financial parameters such as leverage, cash flow management and operational efficiency.

3) Parameters for determining quantum of Dividend

In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

a) Financial Parameters and Internal Factors:

- i) Consolidated net operating profit after tax;
- ii) Funding requirements for projects in hand;
- iii) Funding requirement for growth plans and new projects;
- iv) Outstanding/potential debt service obligation and cash flows and
- v) Cash flow required to meet contingencies.

b) **External Factors:**

- i) Economic environment and external changes which may have bearing on the business and growth plan.
- ii) Government policies and regulations.

4) Circumstances under which a Dividend may not be paid out

The shareholders of the Company may not expect Dividend under the following circumstances:

i) Changes in external environment:

These mainly include adverse market conditions and/or business uncertainty, changing government regulations and constraints on borrowings for growth plan on account of availability and interest rates.

ii) Major funding requirements to finance major projects and strategic growth plans including for mergers, acquisitions, joint venture, partnership opportunities.

iii) Certain debt covenants or similar conditions in other agreements requiring Company to maintain financial parameters.

iv) Major debt retirement plans.

v) Inadequacy of profits during the fiscal year or in the short term, in the light of debt/equity leverage considerations.

4A) Utilisation of retained earnings:

Subject to applicable regulations, the Company would utilise the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, meeting the Company's future business growth / expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

5) Classes of shares

The Company has currently issued equity shares. This policy is subject to review as and when the Company proposes to make change in capital structure.

6) Policy Review

The Board of Directors may review this policy periodically, after taking into account changes in economic conditions, Company's growth plan and financial position, etc. Further, any change in regulatory requirement may necessitate review of policy.

7) Website

The Policy shall be disclosed on the website of the Company.