D S KULKARNI DEVELOPERS LIMITED

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION:

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/ DECLARING DIVIDEND:

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

Internal Factors:

1. Profits earned and available for distribution during the financial year.
2. Accumulated reserves, including retained earnings.
3. Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
4. Past dividend trends – rate of dividend, EPS and payout ratio, etc.
5. Earning Stability.
6. Future Capital Expenditure requirement of the Company
7. Growth plans, both organic and inorganic.
8. Capital restructuring, debt reduction, capitalisation of shares.
9. Crystallization of contingent liabilities of the Company.
10. Profit earned under the Consolidated Financial Statement.
11. Cash Flows.
12. Current and projected Cash Balance and Company's working capital requirements.
13. Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

External Factors:

1. Economic environment, both domestic and global.
2. Un-favourable market conditions.

3. Changes in Government policies and regulatory provisions
4. Cost of raising funds from alternate sources
5. Inflation rate.
6. Sense of shareholders' expectations.
7. Cost of external financing.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company ***may accept dividend*** only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company **may not *accept* dividend** in the following circumstances, subject to the discretion of the Board of Directors:

1. The Company has inadequacy of profits or incurs losses for the Financial Year;
2. The Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
3. The Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
4. The Company has significantly higher working capital requirement affecting free cash flow.
5. The Company proposes to utilize surplus cash for buy- back of securities;
6. The Company is prohibited to recommend/declare dividend by any regulatory body.

POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILIZED:

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

1. Long term strategic plans
2. Augmentation/ Increase in production capacity
3. Market expansion plan
4. Product expansion plan
5. Modernization plan
6. Diversification of business
7. Replacement of capital assets

8. Balancing the Capital Structure by de-leveraging the Company
9. Payment of Dividend or issue of Bonus Shares
10. Other such criteria as the Board may deem fit from time to time

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE:

The Company does not have different classes of shares and follows the 'one share, one vote' principle

AMENDMENTS TO THE POLICY:

The Policy may be amended, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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