

DIVIDEND DISTRIBUTION POLICY OF SHRIRAM PROPERTIES LIMITED

INTRODUCTION

The Board of Directors (the “Board”) of Shriram Properties Limited (the “Company”) has adopted the Dividend Distribution Policy (the “Policy”) of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) at its meeting held on May 28, 2022.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board.

SCOPE

This policy sets out the various parameters and circumstances that would be considered by the Board in recommending payment of any dividend, interim or final.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND FROM THE COMPANY

The Equity shareholders of the Company may expect dividend, only if the Company is having surplus funds after providing for all expenses, depreciation etc., and after complying all statutory requirements of the Companies Act 2013.

The Company may also consider its expansion/ investment plans and growth capital requirements, before taking any decision on the Dividend to be declared for the respective years.

In addition, the Company’s decision of dividend pay-out shall be based on taking a balanced view of factors mentioned below, in the best interest of the shareholders and the Company.

(A) FINANCIAL PARAMETERS

Subject to provisions of the Companies Act, 2013, the Company has adequate profits and has eligible earnings available for distribution. Accumulated reserves, including transfer to reserve such amounts as may be prescribed (or) mandatorily required such as debenture redemption reserves (or) as may be otherwise considered appropriate by the Board at its discretion.

The Board may, at its discretion, declare a special dividend under certain circumstances such as extraordinary profits from sale of investments.

Further, though not mandatory, the Board shall give due regard to availability of profits as per Consolidated Financial Statements of the Company, besides availability of profits on a standalone basis.

(B) INTERNAL AND EXTERNAL FACTORS TO BE CONSIDERED

The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

External Factors

- State of the Economy and the Capital Markets.
- Statutory and Contractual Restrictions, if any.

Internal Factors

- Profits earned during the year
- Past dividend trends, if any.
- Projected growth capital needs for expansion, acquisition and investments
- Projected cashflow, liquidity, and debt outlook as well as return ratios
- Covenant in applicable loan agreements, if any
- Additional investments in subsidiaries/associates of the Company;
- Providing for unforeseen events and contingencies with financial implication.
- Any other factor as deemed fit by the Board.

MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings strengthen the Company's net owned funds. The Board from time to time will decide utilization of the retained earnings depending upon various factors including organic /inorganic growth strategies of the Company, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The Board's decision on utilization of retained earnings shall be based on the following factors:

- Capital requirements for Growth / Expansion
- Investment needs of subsidiaries/associate companies
- Funds requirement of business units, owing to uncertain operational performance
- Debt reduction
- Long term strategic plans
- Replacement of capital assets
- Decision of proposed /impending Buy back of shares , in compliance with law
- Decision of proposed or impending Bonus issues, in compliance with law
- Acceleration of projects completion that are due for delivery
- Other such criteria as the Board may deem fit from time to time.

PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

Presently, the Authorised Share Capital of the Company is divided into equity share of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises only equity shares. As and when the Company issues other kind of shares (including other classes of shares or preference shares), the Board of Directors may suitably amend this Policy.