

KPIT

KPIT Technologies Ltd



Dividend Policy

Revision History

Version No.	Date	Prepared By/ Modified By	Overview of Changes	Approved By
1.0	January 14, 2019	Vinit Teredesai & Nida Deshpande	Original Policy	Board of Directors
1.1	June 17, 2019	Vinit Teredesai & Nida Deshpande	Management Review	Board of Directors
1.2	April 28, 2021	Priyamvada Hardikar & Nida Deshpande	Payout Ratio	Board of Directors

Introduction

Securities Exchange Board of India vide its notification dated July 8, 2016, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, incorporating Regulation 43 A – Dividend Distribution Policy which requires the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

Objective

The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

Dividend Payout

Within the limits as laid down by law, the Company's Dividend Policy shall endeavor to bring in transparency and consistency in dividend payment to shareholders of the Company. The Dividend payout will be such that it leaves enough cash in the company for the near term growth aspirations and at the same time is comparable to the average industry payouts. The average industry dividend payouts move in the 30%-40% range and the resultant dividend yield between 1.5%-3.0%. Internal factors viz. financial performance, free cash generation, planned capital expenditure and acquisitions coupled with external factors like overall macro-economic conditions, credit availability, interest and foreign exchange volatility and regulatory changes, impact the dividend payout decisions.

Evaluating the above on an ongoing basis, the Company proposes to increase the Annual Dividend Payout Ratio (Total Annual Dividend Paid/ Reported Annual Profit after Tax) up to 35% in coming two to three years.

Final and /or Interim Dividend will be declared out of the current year's Profit after Tax of the Company. In certain circumstances including but not limited to loss after tax in any financial year, the Board may consider utilizing retained earnings for declaration of dividends, subject to applicable legal provisions.

The final dividend pay-out to shareholders will happen post approval by shareholders in the Annual General Meeting.

The Board may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met, including any regulatory restrictions on declaration of dividend or if the Board strongly believes the need to conserve capital for growth or other exigencies which will be spelt.

Policy Review

This Policy is issued with the consent of the Board of Directors of the Company and can be amended only with the authority of the Board of Directors. This policy (as amended from time to time) will be available on the Company's website.

Limitation

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.