

## **DIVIDEND DISTRIBUTION POLICY**

The Board of Directors (the “Board”) of WPIL Limited (the “Company”) has adopted the Dividend Distribution Policy (the “Policy”) of the Company as required in terms of Regulation 43A of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (LODR) Second Amendment Regulations, 2021.

### **1. PURPOSE, OBJECTIVES AND SCOPE**

The Securities and Exchange Board of India (“SEBI”) vide its notification dated May 05, 2021 has inter alia amended Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top 1000 listed Companies based on their market capitalisation calculated as on 31<sup>st</sup> day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of the Company recognises the need to lay down a broad framework for considering the decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/or retaining or plough back of its profits. The policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending the dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

The Policy shall apply to ordinary Equity Shares issued and outstanding but shall not apply to:

- Determination and declaring dividend on preference shares or any other class of shares as and when issued by the Company as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by the 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 the way of buy back of equity shares.

### **2. DEFINITIONS**

“Applicable Laws” shall mean by the Companies Act, 2013 and Rules made thereunder, the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other act, rules and regulations which provide for the distribution of dividend.

“Board shall mean Board of Directors of the Company.

“Companies Act, or Act shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

“Company” shall mean WPIL Limited.

“Dividend includes any interim dividend.

“Policy” means this Dividend Distribution Policy.

“Regulations shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India as amended from time to time.

### **3. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND**

The general Consideration of the Company for taking decisions with regard to dividend payout or retention of profits shall be that subject to the considerations as provided in the policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of the Managing Director including CFO and the other relevant factors.

### **4. CONSIDERATIONS RELEVANT FOR DECISION OF DIVIDEND PAY-OUT**

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs;
- Track record of Dividends distributed by the Company;
- Payout ratios of comparable companies;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Statutory provisions and guidelines;
- Macroeconomic and business conditions in general;
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

### **5. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED**

The Dividend for any financial year shall normally be paid out of the Company profits for that year, as calculated in line with the applicable laws. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s), subject to compliance of applicable laws.

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

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- In case of significant higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- In the event of inadequacy of profits or whenever the Company has incurred losses;
- For any other reason as the Board may deem fit from time to time.

## **6. MANNER OF UTILISATION OF RETAINED EARNINGS**

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.

- Product expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital Assets
- Where the cost of the debt is expensive
- Other such criteria as the Board may deem fit from time to time.
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## **7. PROCEDURE**

Final dividend is declared at the Annual General Meeting (AGM) of the shareholders on the basis of recommendations of the Board. The Board may, at its discretion, also declare an interim dividend.

## **8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASS OF SHARES**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably reviewed/ amended at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

## **9. DISCLOSURE**

The Company shall disclose about the formulation and implementation of this policy on website and a web link shall also be a part of Annual Report.

## **10. MODIFICATION OF THIS POLICY**

The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, the Regulations, etc.

## **11. DISCLAIMER**

This documents does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.