



WHEELS INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

(As approved by the Board of Directors on 29th May 2018)



DIVIDEND DISTRIBUTION POLICY

1. Preamble:

The Board of Directors (the “Board”) of Wheels India Limited (the “Company”) has adopted the following policy and procedures (“Policy”) with regard to Dividend Distribution.

This Policy is in conformance with the requirement of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations 2016 (SEBI LODR Regulations). The Company is required to disclose the Policy on dealing with distribution of dividend, each year in its Annual Report and on its website.

2. Objective:

This Policy is applicable to dividend declared / recommended on the equity shares of the Company and does not cover issue of Bonus Shares by the company, and Buyback of Securities.

3. Circumstances under which shareholders can expect Dividend

The Board may declare Interim Dividends during the year and recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.

This Policy applies to payment of interim and final dividend by the Company.

The Dividend for any financial year shall normally be paid

- (a) Out of the profits of the Company for that year arrived after providing for depreciation or
- (b) Out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable

4. Financial parameters and other internal and external factors that would be considered for declaration of dividend:

The Board of Directors may consider relevant factors including, but not limited to, the following Internal and External factors for the purpose of distribution of dividend.



1. Investment opportunities- for expansion and diversification new projects, acquisitions and / or any other potential strategic actions:
2. The liquidity position of the Company
3. Earnings growth
4. Commitment towards repayment of long term debts
5. Trend of dividends paid in the past years
6. To meet any contingency
7. Macro- economic environment
8. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
9. Dividend pay-out ratios of companies in the same industry; &
10. Any other factor that may be considered by the Board relevant before declaring dividend.

The Board will generally endeavor to maintain a dividend pay out ratio (excluding dividend distribution tax) of 25% - 35% of the annual standalone profit after tax for each financial year, subject to other constraints as enumerated in this policy.

5. Utilization of retained earnings :

Company maintain retained earning sufficient to address the financing of working capital, Capital expenditure, other corporate actions viz., Buy back, Reduction of capital etc and unanticipated and emergency expenditures.

6. Amendment:

The Board of Directors of the Company may subject to applicable laws amend, suspend or rescind this policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy.