



PRECISION WIRES INDIA LIMITED
CIN: L31300MH1989PLC054356

DIVIDEND DISTRIBUTION POLICY (DDP)

1) Introduction

The Company has been continuously paying dividends since over 25 years and intends to continue rewarding shareholders in an appropriate manner which results in a win-win situation for the Company and the Shareholders. This DDP establishes certain broad principles and parameters to ascertain amounts that can be distributed to equity shareholders as dividend by the Company. While doing so, it also enables the Company to strike a balance between payout and retained earnings in order to take care of the present and future needs of the Company. This policy shall come into effect from 01st April, 2021 onwards. Presently, the Company has only Fully paid Equity shares for which this policy is applicable.

2) Financial Parameters and Internal/External Factors that shall be considered while declaring Dividend

Subject to the provisions of all the applicable laws, the Company's dividend payout will be determined based on the following broad principles and financial parameters:

- Distributable surplus available as per the Companies Act and regulations
- The Company's current liquidity position and future cash needs
- Past track record of payouts
- Taxation/Government Policy on Dividends including Dividend Distribution Tax
- Capital Expenditure, Modernization, Technology Upgradation Planned
- Acquisition or Investment Opportunities
- Stipulations of Loan Agreements
- Present and Future Macro-Economic and Business Environment
- Making Provision for any unforeseen event or emergency
- Any other factors that the Board of Directors may see fit to consider before declaring dividend.

Within the broad frame work of the above factors, the Company would try and endeavour to maintain, subject to adequate profit a dividend pay-out ratio (inclusive of Dividend Distribution Tax, if any) between 25% to 50% of the annual standalone Profit after Tax as computed as per the Act.

In case the Board of Directors recommends as a special case, a lower or higher payout than the above guidelines, they should consider the following points while determining the rate of dividend:

- Expectations of shareholders
- Past dividend history
- Special dividend for special circumstances



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- Present and Future Macro and Business Outlook, Strengths and Weaknesses of the Company, Opportunities and Threats
- Any other additional or modified parameters which is taken into consideration by the Board

In such special case, the Company will disclose such additional or modified parameters in its Annual Report and on its website.

3) Circumstances under which the shareholders may/may not expect dividend:

Dividend represents the profit of the Company which is distributed to shareholders in proportion to the amount of paid-up shares held by them. Dividend includes interim dividend. The Dividend for any financial year shall normally be paid out from the Company profits for that year arrived at in accordance with the provisions of the Companies Act 2013. If circumstances require, the Board may also declare dividend out of the accumulated profits of any previous financial year(s) in accordance with the provisions of the said Act and Regulations, as applicable.

Notwithstanding the above, the shareholders may not expect dividend in the event that there is inadequacy of profit or if the Company has incurred losses or if in the opinion of the Board of Directors there is a need to conserve capital.

4) Utilization of Retained Earnings

Subject to the applicable laws and regulations, the Company's retained earnings shall be utilized for

- Payment of Dividend
- Funding of inorganic and organic growth needs such as capital working capital, capital expenditure, repayment of debt, acquisitions, purchase of technology and knowhow, investments, etc
- Buyback of shares
- Any other permissible purpose

5) Procedure

The Managing Director & CEO of the Company shall recommend any amount to be declared as dividend to the Board of Directors of the Company.

The agenda of the Board of Directors where dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

Dividend approved by the Board of Directors shall be subject to the provisions of the applicable laws and this policy and the interim/final dividend if any, recommended by the Board of Directors will be subject to shareholders approval at the ensuing AGM of the Company.



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The Company shall ensure that this policy and all the applicable laws and regulations are complied with in relation to the Dividend declared and distributed by the Company

6) Modification of Dividend Distribution Policy

The Board of Directors is authorized to amend/change this policy at its sole discretion from time to time or in accordance with any amendments made in the Companies Act 2013 or any other regulations, etc.
