

**BANSAL WIRE INDUSTRIES LIMITED**

**DIVIDEND DISTRIBUTION POLICY**

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## **DIVIDEND DISTRIBUTION POLICY**

### **1. INTRODUCTION**

- 1.1 The Dividend Distribution Policy (hereinafter referred to as the **"Policy"**) have been developed in accordance with the extant provisions of the Companies Act, 2013 and SEBI regulations.
- 1.2 The Board of Directors (the **"Board"**) of Bansal Wire Industries Limited (the **"Company"**) has adopted 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"**) in its meeting held on December 01, 2023.
- 1.3 Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them. In case of listed companies, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend.

### **2. EFFECTIVE DATE**

The Policy shall become effective from the date of its adoption by the Board i.e. December 01, 2023.

### **3. OBJECTIVES**

- 3.1 The objective of this Policy is to lay down the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend to its shareholders for a financial year. Dividend for the purpose of this Policy shall include Interim Dividend.
- 3.2 Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.
- 3.3 The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining

sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

#### **4. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDENDS**

##### **4.1 FINANCIAL PARAMETERS**

- a. Current year's profit arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder; and / or.
- b. Profit from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder.
- c. Fund requirements to finance the working capital needs of the business.
- d. Fund requirements to meet expense to upgrade and maintain the infrastructure of the Company.
- e. Any other relevant factors or events.

##### **4.2 CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

Dividend for any financial year shall generally be paid once a year, out of net profit earned during the said year. However, the Board may at its discretion, declare interim dividend and may also declare dividend out of retained earnings.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital due to circumstances or factors such as adverse market conditions, business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, regulatory / market exigencies, changing regulations, etc. .

##### **4.3 AGREEMENTS WITH LENDING INSTITUTIONS/ BONDHOLDERS/DEBENTURE TRUSTEES**

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

#### **4.4 POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED**

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

#### **4.5 EXTERNAL FACTORS, INCLUDING BUT NOT LIMITED TO:-**

**STATE OF ECONOMY-** in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain a larger part of profits to build up reserves to absorb future shocks.

**CAPITAL MARKETS-** when the markets are favorable, dividend payout can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend payout in order to conserve cash outflows.

**STATUTORY RESTRICTIONS-** the Board will keep in mind the restrictions imposed by the Companies Act and other statutory authorities with regard to declaration of dividend.

#### **4.6 INTERNAL FACTORS:-**

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring dividend, which inter alia may include-

- i) Business plans;
- ii) Present & future Capital requirements of the existing businesses;
- iii) Brand/ Business Acquisitions;
- iv) Expansion/ Modernization of existing businesses;
- v) Working capital requirements;
- vi) Additional investments in subsidiaries/associates of the Company;
- vii) Fresh investments into external businesses;
- viii) Cash required for contingencies or unforeseen events; and
- ix) Any other factor as deemed fit by the Board.

#### **5. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES.**

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

**6. INAPPLICABILITY OF THE POLICY**

The Policy shall not apply to a distribution by way of bonus shares or buyback of equity shares

**7. DISCLOSURE**

This policy shall be uploaded on the website of the Company and a web-link shall also be provided in the annual report of the Company.

**8. AMENDMENT AND CONFLICT**

The adequacy of this Policy shall be reviewed and reassessed periodically, based on the changes that may be brought about due to any regulatory amendments or otherwise. In the event of any conflict between the provisions of this policy and of the Companies Act, 2013 and the LODR Regulations, or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules etc. including any amendments/modifications thereto shall prevail over this Policy.

**9. COMPLIANCE RESPONSIBILITY**

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.