



STEEL STRIPS WHEELS LIMITED

DIVIDEND DISTRIBUTION POLICY

PREAMBLE

This Policy on Dividend Distribution ('Policy') has been framed in line with the requirements of Regulation 43(A) and other applicable provisions of the Listing Regulations and is intended to establish principles to ascertain the amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

In view of the above, the Board of Directors of the Company (Board) was pleased to approve this Policy at its meeting held on 12th July, 2021.

DEFINITIONS

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the Listing Regulations.

BACKGROUND

SEBI has, through its notification dated May 5, 2021, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, amended Regulation 43 A – Dividend Distribution Policy requiring the top 1000 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.

This policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

Factors determining the nature and quantum of the dividend payout

While determining the nature and quantum of the dividend payout, the Board would take into account the following factors:

Internal Factors:

- i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years
 - b. Internal budgets,
- ii. Cash flow position of the Company,
- iii. Accumulated reserves
- iv. Earnings stability
- v. Future cash requirements for organic growth/expansion and/or for inorganic growth,
- vi. Brand acquisitions,
- vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
- viii. Deployment of funds in short term marketable investments,
- ix. Long term investments,
- x. Capital expenditure(s), and
- xi. The ratio of debt to equity (at net debt and gross debt level).

External Factors:

- i. Business cycles,
- ii. Economic environment,
- iii. Cost of external financing,
- iv. Applicable taxes including tax on dividend,
- v. Industry outlook for the future years,
- vi. Inflation rate, and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend.

The circumstances under which the shareholders may or may not expect dividend

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

Policy as to how the retained earnings shall be utilized

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure or working capital,
- ii. Organic and/ or inorganic growth,
- iii. Investment in new business(es) and/or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalisation of shares,
- vi. Buy back of shares,
- vii. General corporate purposes, including contingencies,



- viii. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

Review

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

Disclosure

The policy will be available on the Company's website.
