

WEST COAST PAPER MILLS LIMITED

DIVIDEND DISTRIBUTION POLICY

Pursuant to provisions of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated 5th May,2021, it is required to top 1000 listed companies (based on market capitalization) to disclose a “**DIVIDEND DISTRIBUTION POLICY**” on the website of the listed entity and a web-link shall also be provided in their Annual Report.

According to the provisions of the Regulation 43A, the Board of Directors of the Company (“**the Board**”) has approved this “**DIVIDEND DISTRIBUTION POLICY**” for the Company at its meeting held on 13th August,2021.

The Objective of this policy is to provide the clarity to the Shareholders on the Dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act,2013 and Rules made thereunder and other applicable legal provisions. This Policy is applicable to the Company's only class of equity shares subject to any overriding effect of statutory modifications and enactments. Dividend may be Interim, Final and Special . The Framework of the Dividend Distribution Policy is based on the following parameters:

- 1. The Circumstances under which the shareholders of the Company may or may not expect dividend:** The Board will consider the various factors such as Company's financial needs, business considerations/investments and future planning etc. The Company usually shall pay dividend out of the profits available, in accordance with the provisions of the Companies Act and Rules framed thereunder, other applicable legal provisions and Regulations, Article of Associations of the Company as in force, as amended from time to time and/or stipulations by lending banks/financial institutions if any.

The Board may consider payment of dividend out of the accumulated profit/free reserve in case of inadequacy of profit for relevant year, subject to compliance of applicable laws, in line with historical trends of the Company and at the sole discretion of the Board.

2. **Financial Parameters:** Parameters like Profitability of the Company during the relevant year, Dividend payout ratios and other financial ratios, Operating cash flow of the Company, future capital expenditures, cost of borrowings and contingent liabilities with financial implications, will be considered for decision of Dividend. Other Comprehensive Income will not be considered for declaration of dividend
3. **Internal Factors:** Factors like Present and future working capital requirements of the existing business of the Company, Acquisition, expansion, modernization and diversification in new business and any other relevant factor as may be deemed fit by the Board, will be considered for decision of Dividend.
4. **External Factors:** Factors like Taxation and other regulatory concerns, statutory /legislative and any other regulatory restrictions and Global/Domestic business environment or economic conditions, will also be considered for decision of Dividend.
5. **Utilization of retained earnings:**
The retained earnings will be used for the Company's growth plans, working capital requirements, investments, debt repayments , contingencies, distribution of dividend, issue of bonus shares or buy-back of shares, subject to applicable provisions of the Companies Act and other applicable laws/rules/regulations.

Review & Amendment

The Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board to ensure that it is in consonance with the objectives of the relevant statutory amendments, modifications and needs of the Company and remains effective.
