



DIVIDEND DISTRIBUTION POLICY

WINDSOR MACHINES LIMITED

[CIN: L99999GJ1963PLC168458]

REGISTERED OFFICE:

Floor No. 3 & 4, Corporate House
No. 6, Block B, Magnet Corporate
Park, Off. S G Highway, Thaltej,
Ahmedabad, Gujarat, PIN: 380054

1. PREAMBLE:

The Board of Directors (the “Board”) of Windsor Machines Limited (“Windsor” or the “Company”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“Policy”) and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) as amended from time to time.

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.

2. DEFINITIONS

“**Board**” shall mean the Board of Directors of Windsor Machines Limited.

“**Companies Act**” shall mean The Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, and as amended;

“**Dividend**” includes any interim dividend;

“**Listed Entity / Company**” shall mean Windsor Machines Limited;

“**Policy**” means Dividend Distribution Policy;

“**Stock Exchange**” shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

3. DIVIDEND

Dividend is the amount paid by the Company out of profits, to its Shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

INTERIM DIVIDEND:

- A. An Interim Dividend, if any, shall be declared by the Board.
- B. Before declaring an Interim Dividend, the Board shall consider the financial position of the Company.
- C. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- D. In case no Final Dividend is declared, an Interim Dividend paid during the year, if any, will be regarded as the Final Dividend at the Annual General Meeting.

FINAL DIVIDEND:

- A. Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves annual financial statements, subject to the approval of the shareholders of the Company.
- B. The dividend, as recommended by the Board, shall be approved/declared at the Annual General Meeting of the Company.
- C. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per applicable law(s).

DIVIDEND DISTRIBUTION:

The Board of Directors shall endeavour to take a decision for Dividend Distribution with an objective to enhance shareholders value. However, the decision regarding pay-out is subject to several parameters which form part of this Policy.

The Dividend once declared or approved will be paid/ distributed within the statutory period permitted by law.

FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- a) Distributable surplus available as per the Act and Regulations.
- b) The Company's liquidity position and future cash flow needs.
- c) Track record of Dividends distributed by the Company.
- d) Payout ratios of comparable companies.
- e) Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution.
- f) Capital expenditure requirements considering the expansion and acquisition Opportunities.
- g) Cost and availability of alternative sources of financing.
- h) Stipulations/ Covenants of loan agreements.
- i) Macroeconomic and business conditions in general.
- j) Providing of unforeseen event and contingency with financial implications.
- k) Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

UTILISATION OF RETAINED EARNINGS

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc,
- Buyback of shares subject to applicable limits,
- Payment of Dividend in future years,
- Issue of Bonus shares,
- Any other permissible purpose.

FACTORS AFFECTING DIVIDEND DECLARATION:

A. External Factors to be considered while recommending/ declaring dividend

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

B. Internal Factors to be considered while recommending/ declaring dividend

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- Expected cash requirements of the Company including working capital, capital expenditure,
- Quarterly and Annual results,
- Investments including Mergers and Acquisitions (M&A),
- Free cash flow generation,
- Buy-back of shares,
- Funds required to service any outstanding loans.

C. Retained Earnings

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

D. Parameters that shall be adopted with regard to various classes of shares

Currently, the Company does not have different classes of shares and follows the 'one share, one vote' principle. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

4. AMENDMENT/MODIFICATION/REVIEW OF THE POLICY:

This policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.
