

Dividend Distribution Policy of Westlife Foodworld Limited

1. Scope, Purpose and Objective

Made in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the intent, scope and purpose of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

2. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. 9th May, 2023.

3. Parameters and Factors for declaration of Dividend, and Pay-out Ratio

The parameters and factors under this Dividend Distribution Policy for declaration of dividend are as follows : shareholders may expect dividend if the Board of Directors recommends payment of the same based on the financial, internal and external parameters mentioned below, and may not expect it otherwise.

3.1.1 Financial parameters and Internal Factors:

- i. Operating cash flow of the Company
- ii. Net operating profit after tax
- iii. Profit available for distribution
- iv. Earnings Per Share (EPS)
- v. Working capital requirements
- vi. Capital expenditure requirement
- vii. Business expansion and growth
- viii. Upgradation of technology and physical infrastructure
- ix. Creation of contingency fund
- x. Acquisition of brands and business
- xi. Cost of Borrowing
- xii. Past dividend payout ratio / trends

3.1.2 External parameters:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- i. Economic environment
- ii. Capital markets
- iii. Global conditions
- iv. Statutory provisions and guidelines
- v. Dividend pay-out ratios of companies in the same industry.

3.1.3 The Dividend Payout Ratio:

The Board of Directors shall endeavour to maintain the Dividend Payout Ratio (Dividend/ Net Profit after Tax for the year) as near as possible to 25% of Westlife Foodworld Limited's consolidated profit after tax, subject to :

- The Company's need for capital for its growth plan
- Positive Cash Flow and other parameters stated in the policy.

4. Circumstances under which the Shareholders of the Company may or may not expect dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- iii. Requirement of higher working capital for the purpose of business of the Company
- iv. Proposal for buy-back of securities
- v. In the event of loss or inadequacy of profit.

5. Utilization of retained earnings

The Board may retain the Company's earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:



WESTLIFE FOODWORLD LTD.

[Formerly known as Westlife Development Ltd.]

Regd. Off.: 1001, Tower-3, 10th Floor • One International Center

Senapati Bapat Marg • Prabhadevi • Mumbai 400 013

Tel : 022-4913 5000 Fax : 022-4913 5001

CIN No. : L65990MH1982PLC028593

Website: www.westlife.co.in | E-mail id :shatadru@westlife.co.in

- Market expansion plan
- Product expansion plan
- Increase in capacity
- Modernization plan.
- Diversification of business
- Long term Strategic plans
- Replacement of Capital assets
- Where the cost of debt is expensive
- Dividend Payment.

Such other criteria as the Board may deem fit from time to time.

6. Manner of dividend payout

6.1 In case of final dividend:

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- iii. 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 the applicable law.

6.2 In case of interim dividend:

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. 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.
- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

7. Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares, depending upon the nature and terms thereof.



WESTLIFE FOODWORLD LTD.

[Formerly known as Westlife Development Ltd.]

Regd. Off.: 1001, Tower-3, 10th Floor • One International Center

Senapati Bapat Marg • Prabhadevi • Mumbai 400 013

Tel : 022-4913 5000 Fax : 022-4913 5001

CIN No. : L65990MH1982PLC028593

Website: www.westlife.co.in | E-mail id : shatadru@westlife.co.in

8. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at <http://www.westlife.co.in/investors-compliance-and-policies.php>

9. Policy Review and Amendments

9.1 This Policy would be subject to revision/amendment from time to time in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, Government of India, the Securities Exchange Board of India and/or such other competent regulatory authority.

9.2 The Company reserves its right to alter, modify, add, delete and/or amend any of the provisions of this Policy.

9.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment (s), clarification(s), circular(s) etc. shall prevail over the provisions hereof, and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.