



Date: 03-11-2016

The Manager Listing The BSE Ltd. Phiroz Jeejeebhoy Towers Dalal Street Mumbai - 400 001	The Manager Listing National Stock Exchange Ltd, Exchange Plaza, Bandra kurla Complex, Bandra (East), Mumbai - 400051
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Dear Sir,

Subject: Outcome of Board Meeting

The Board of Directors of the Company in its meeting held today i.e. on 3rd November, 2016 at the Corporate Office of the Company inter-alia approved the following as considered and reviewed by the Audit Committee:

- (i) the unaudited financial results for the quarter and half year ended on September 30, 2016.
- (ii) the investment in rated debt securities up to USD 20 Million in the form of redeemable non-convertible Senior Notes issued by Whirlpool Corporation with maturity period of 3 years from date of issue.
- (iii) the Dividend Policy of the Company. The same shall be uploaded on the website of the Company.

Please find enclosed herewith a copy of the unaudited financial results for the quarter and half year ended on September 30, 2016 and the Dividend Policy of the Company.

The Board meeting commenced at 11:30 AM and concluded at 12:30 PM.

Trust, this would meet with your requirements.

Yours faithfully,

For Whirlpool of India Limited

Vinay Kumar

Director – Legal & Secretarial



WHIRLPOOL OF INDIA LIMITED

CIN NO. L29191PN1960PLC020063

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WHIRLPOOL OF INDIA LIMITED
DIVIDEND DISTRIBUTION POLICY

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Approved by:	Board of Director Whirlpool of India Limited
Approved On:	3 rd November 2016
Last Reviewed/ Modified on:	3 rd November 2016

I. OBJECTIVE OF THE POLICY

The objective of the Dividend Policy ('the Policy') of the Company' is to bring objectivity and stability in dividend declaration decisions, subject to the applicable laws and conditions and maximization of long term capital appreciation for all stakeholders of the Company.

The policy will guide the company to strike the right balance between the quantum of dividend to be paid and amount of profits to be retained in the business for various purposes and to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws and conditions.

II. PHILOSOPHY OF THE POLICY

The Company believes in the philosophy of maximization of shareholders' wealth from long term perspective. Thus, the Company would first utilize its profits for its business requirements, capital expenditure for expansion and / or diversification, earmarking cash for potential inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

III. REGULATORY FRAMEWORK

Securities Exchange Board of India (SEBI) has notified Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements)(Second Amendment) Regulations, 2016 (hereinafter referred as "Listing Regulations") on 8th July 2016, which requires formulation of Dividend Distribution Policy by top 500 listed companies.

Whirlpool of India Limited (the 'Company' or 'WOI') being one of the top 500 companies as per market capitalization, has formulated this Dividend Distribution Policy, to be called as WOI Dividend Distribution Policy (herein after referred to as the 'Policy').

The declaration and payment of dividend is primarily governed the Companies Act, 2013 and The Companies (Declaration and Payment of Dividend) Rules, 2014; Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Income Tax Act, 1961, RBI Guidelines / Circulars / Notifications to the extent applicable, FEMA, 1999, SEBI Guidelines / Circulars etc.

The Company while declaring and payment of Dividend shall adhere to all applicable provisions of Companies Act, 2013 and rules made there under as amended from time to time and to the extent applicable and other applicable Acts, rules, regulations, guidelines.

The policy set out herein relate to Equity Shares only and not applicable to preference shares.

IV. DEFINITIONS

- i. **“Act”** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.
- ii. **“Applicable Laws”** shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- iii. **“Board” or “Board of Directors”** shall mean Board of Directors of the Company.
- iv. **“Company or WOI”** shall mean Whirlpool Of India Limited.
- v. **“Dividend”** shall mean Dividend as defined under Companies Act, 2013 and shall include Interim dividend in terms of Section 2(35) of the Companies Act, 2013 as amended from time to time.
- vi. **“Free Reserves”** shall mean such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend.
However the following shall not be treated as free reserves:
 - a. any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
 - b. any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves;
- vii. **“Policy or this Policy”** shall mean the Dividend Distribution Policy of the Company.
- viii. **“SEBI Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

V. Process for declaration of Dividend

a. Final Dividend:

The Chief Financial Officer in consultation with the Managing Director & Chief Executive Officer of the Company shall advise the Board of Directors of the Company any amount to be recommended as final Dividend. Accordingly, the Board of Directors may recommend/propose final dividend payable to shareholders in its meeting in line with this policy and on considering various other parameters. The dividend proposed by the board to be approved by Shareholders in the Annual General Meeting before distributed to the shareholders.

b. Interim dividend:

The Chief Financial Officer in consultation with the Managing Director & Chief Executive Officer of the Company shall advise the Board of Directors of the Company any amount to be declared as interim Dividend. Board may declare Interim Dividend at its complete discretion in line with this Policy one or more times in a financial year. Interim Dividend approved by the Board of Directors will be confirmed by the shareholders at the ensuing Annual General Meeting of the Company.

c. Unit of dividend declaration: The dividend shall be declared on per share basis only.

d. Declaration of Dividend out of current or accumulated profit or otherwise:

No dividend shall be declared or paid by the Company for any financial year unless it is paid:

- Out of profits for that year arrived at after providing depreciation in accordance with provisions sub section 2 of Section 123 or
- Out of accumulated profits of the company for any previous financial year or years arrived at after providing depreciation and remaining undistributed or
- Out of both above or
- Out of money provided by the central government or a state government for payment of dividend in pursuance of a guarantee given by that government

e. Declaration of dividend out of accumulated profits:

In the event of inadequacy or absence of profits in any year, the company may declare dividend out of surplus subject to the fulfillment of the following conditions, namely:-

- i. The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year: Provided that this sub-rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial year.
- ii. The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.
- iii. The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.
- iv. The balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.

VI. PARAMETERS FOR DIVIDEND DECLARATION

The Board of Directors shall consider various external and internal parameters for declaration of dividend in line with the broader philosophy of the Company of shareholders' wealth maximization.

a. External Parameters:

1. **General Economy:** In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.
2. **Capital Markets:** When the markets are favorable, dividend pay-out may be liberal. However, in case of unfavorable market conditions; Board may resort to a conservative dividend pay-out in order to conserve cash outflows.
3. **Statutory Restrictions:** The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

4. **Industry Trend:** General dividend distribution trend in the industry.

b. Internal Parameters:

1. Future requirement for capital spending, expansion, modernization, Research & Development, potential acquisition, joint ventures or other inorganic growth etc and mode of funding.
2. Provision for any unforeseen future cash requirement.
3. The amount which has to be funded from internal accruals has to be retained.
4. Need for voluntary transfer to general reserve, if considered appropriate.
5. The shareholders preference for return of investment.
6. Retention of minimum cash for contingencies and business seasonality / volatility.
7. Retention of cash for any force majeure.

VII. WHIRLPOOL DIVIDEND APPROACH

A company may decide to follow one of three main approaches: residual, stability, or a hybrid method.

a. *Residual Method*

A company using the residual dividend policy generally chooses to rely on internally generated equity to finance any new projects/ expansion or meet other funding requirements. As a result, dividend payments can come out of the residual or leftover equity only after considering all of a company's relevant external and internal parameters. These companies usually attempt to maintain balance in their debt equity ratios before making any dividend distributions, which demonstrates that they decide on dividends only if there is enough money left over after all of its parameters are met.

b. Stability Method

The fluctuation of dividends created by the residual method significantly contrasts with the certainty of the stability method. With the stability method, a company may choose a method that sets dividends at a fixed percentage of quarterly earnings, or it may choose a policy whereby dividends are set at a fixed percentage of yearly earnings. In either case, the aim of the dividend stability method is to reduce uncertainty for investors and to provide them with regular income.

c. Hybrid Method

The hybrid method is a combination between the residual and stability dividend methods. Using this approach, a company tends to view the debt/equity ratio as a long-term rather than a short-term goal. Such a company will generally experience business cycle fluctuations and will generally have one set dividend, which is set as a relatively small portion of yearly income and can be easily maintained. On top of this set dividend, such company will offer another extra dividend paid only when income exceeds general levels.

Out of various options as cited above, Whirlpool shall adopt the appropriate method for declaration of dividends after considering the above described various internal and external parameters in point IV (a) and (b).

VIII. MISCELLANEOUS

- i. **Time limit for deposit of dividend:** The amount of the dividend, including interim dividend, must be deposited in a scheduled bank in a separate account within five (5) days from the date of declaration of such dividend.
- ii. **Time limit for payment of dividend:** The dividend has to be paid within 30 days from the date of declaration or such other period as is applicable by law
- iii. **Dividend to be paid to Registered Shareholders:** No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash.
- iv. **Mode of payment of dividend:** Any dividend payable in cash may be paid by cheque or warrant through post directed to the registered address of the shareholder who is entitled

to the payment of the dividend or to his order or in any electronic mode sent to his banker in terms of Section 123(5) as amended from time to time

- v. **Determine record date / book closure:** The Company shall determine the date of closure of the register of members and the share transfer register of the company as per requirements of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. **Transfer of unpaid dividend to Special Account:** If dividend has not been paid or claimed within the 30 days from the date of its declaration, the company shall transfer the total amount of dividend which remains unpaid or unclaimed, to a special account in a scheduled bank to be called "Unpaid Dividend Account". Such transfer shall be made within 7 days from the date of expiry of the said period of 30 days.

Any person who claims a right on unpaid/unclaimed dividend may apply to the company for payment in terms of section 124(4) of Act has to write to our Registrar and Share Transfer Agent at the following address for claiming the amount:

Link Intime India Private Limited,
Narang Tower 44, Community Centre, Naraina Industrial area, Phase - I,
New Delhi-110028
Tel. No. 91-11-41410- 592, 593, 594, Email: delhi@linkintime.co.in

- vii. **Transfer to IEPF after 7 years:** Any money transferred to the unpaid dividend account of a company in pursuance of section 124 which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund established (IEPF) u/s 125(1) of Act.
- viii. **No claims shall lie against Company:** After the expiry of the period of seven years from the date from which unclaimed and unpaid Dividends were transferred to the Unpaid Dividend Account, no claims shall lie against the Fund or the company in respect of any such amounts.

IX. REVIEW / AMENDMENT OF THE POLICY

The Board will review this Policy on periodic basis as the need be. This policy, including definition and other provisions of the policy shall stand automatically amended because of any regulatory amendments, clarifications etc. in the applicable laws, rules and regulations. In case of any amendment(s), clarification(s), circular(s), notification(s), etc., issued by the relevant authorities, not being consistent with the provisions of this policy, such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions of this policy.