

## **Dividend Distribution Policy of Wipro Limited**

This policy applies to the distribution of dividend by **Wipro Limited** (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

### **Background**

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI vide its notification dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribed that, the dividend distribution policy shall include the following parameters:

- a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b) the financial parameters that shall be considered while declaring dividend;
- c) internal and external factors that shall be considered for declaration of dividend;
- d) policy as to how the retained earnings shall be utilized; and
- e) parameters that shall be adopted with regard to various classes of shares

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

### **Objective**

Wipro Limited (the “Company”) has always strived to enhance stakeholder value for its investors. The Company believes that returning cash to shareholders is an important component of overall value creation.

### **Considerations**

The Board of Directors of the Company (“Board”) recommends dividend distribution based on the following factors:

- i. Reported and Projected Net Profit after Tax (PAT) available for distribution in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the current and projected periods.
- ii. Reported and Projected statements of Free Cash Flow generation
- iii. Current and Projected Cash Balance
- iv. Current and Projected Debt-raising capacity
- v. Committed and projected cash flow needs owing to forecasted capital expenditure, anticipated investments in M&A and working capital requirements for current and projected periods.
- vi. The macro economic factors and the general business environment

vii. Corporate actions resulting in significant cash outflow for the Company

### **Current Policy**

We have had a consistent dividend track record. Our dividend payout ratio over the past 10 years is shown in the table below:

	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Payout%*	30%	29%	41%	20%	10%	7%	6%	7%	5%	27%	5%

\* Payout % is computed on dividend declared (including dividend distribution tax) divided by Net Income

^ FY16 onwards the dividend payout is lower due to high utilization of cash in other corporate actions like buyback.

We expect our dividend policy to be in line with historic trends. The Board has the discretion to recommend a higher or lower dividend keeping in mind the business considerations and other corporate actions which result in high utilization of cash.

### **Procedure**

Final dividend is declared either at the April Board meeting or Annual General Meeting (AGM) of the shareholders on the basis of recommendations of the Board. The Board may, at its discretion, also declare an interim dividend. The current practice is to declare an interim dividend in the January Board Meeting and a final dividend at the April Board meeting.

### **Other Salient Points**

Retained Earnings may be used for corporate actions in accordance with applicable law and for investments towards growth of the business. This Dividend Distribution policy shall be applicable to equity shares as well as American Depository Receipts in accordance with respective Securities & Corporate law.

### **Board Discretion**

The Board may recommend special dividend as and when it deems fit.

### **Review**

The Board will review the Dividend policy of the Company at regular intervals.

### **Disclosure of the policy**

This policy will be uploaded on the website of the Company. The Company will announce from time to time its capital allocation policy which is available at [www.wipro.com](http://www.wipro.com).

## Capital Allocation Policy of Wipro Limited

### Background

This policy applies to usage and distribution of available capital by Wipro Limited (the “Company “or “Wipro”). Wipro is committed to adopting a progressive and forward looking capital allocation policy that balances the internal and external factors like need of the business, future growth plans, liquidity and return ratios, overall economic conditions and expectations etc. The ‘Policy for Dividend Distribution’ as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be an integral part of the overall capital allocation policy.

### POLICY

The Board of Wipro has approved the following Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements: “Effective from Financial year 2021, the company expects to return approximately **45%-50% of the Net income** cumulatively on a block of 3 years period through a combination of dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any.” Net Income has been considered after adjusting for profit attributable to non-controlling interest (Minority Interest). Dividend and buyback include applicable taxes.

Past trend on the payout has been provided in Annual Report.