



DIVIDEND DISTRIBUTION POLICY

OF

OSWAL GREENTECH LIMITED

(adopted by the Board of Directors on June 25, 2021)

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DIVIDEND DISTRIBUTION POLICY

PREAMBLE

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. This Policy aims to reconcile between all these needs.

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time..

REGULATORY FRAMEWORK

The Securities Exchange Board of India (“SEBI”) on May 5, 2021 amended Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 1000 listed companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

Oswal Greentech Limited being one of the top 1000 listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CATEGORY OF DIVIDENDS

The Companies Act provides for two forms of Dividend- Final and Interim. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. Normally, the Board will endeavor to declare an interim dividend after finalization of quarterly financial accounts. The Board may declare interim dividend based on profits of the Company, one or more times in a financial year as and when considered appropriate, in line with this policy.

After the annual accounts are prepared, the Board may recommend final dividend to the shareholders for their approval in the General Meeting of the Company. In the event the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

PARAMETERS FOR DECLARATION OF DIVIDEND

In line with the objective of this Policy, the Board of Directors shall consider the following parameters for declaration of Dividend:

1. Financial parameters/ Internal Factors

The Board of Directors would consider the following financial parameters before declaring or recommending dividend to the shareholders:

- (a) Operating Profits;
- (b) Working capital requirements;
- (c) Capital expenditure requirements;
- (d) Business acquisition opportunities;
- (e) Cost of raising funds;
- (f) Providing for unforeseen events and contingencies with financial implications;
- (g) Cash flows required to meet contingencies;
- (h) Outstanding borrowings, if any;
- (i) Past dividend trend;
- (j) Any factor as may be deemed fit by the Board of Directors

2. External factors

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

- (a) Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- (b) Dividend payout ratios of the Companies in same industry.
- (c) In case of uncertain or recessionary economic and business conditions, the Board will endeavor to retain large part of profits to build up reserves to absorb future shocks.

3. Circumstances under which shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- (a) Whenever it undertakes or proposes to undertake a significant project requiring higher allocation of capital;
- (b) Significantly higher working capital requirements adversely impacting free cash flows;
- (c) Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- (d) Whenever the Company proposes to utilize the surplus cash flows for buy back of securities;
- (e) In the event of inadequacy of profits or whenever the Company has incurred losses

4. Utilization of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5. Parameters adopted regarding various classes of shares:

- a) Presently, the authorised share capital of the Company is divided into equity share of Rs. 10 each and preference shares of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.
- b) The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.
- c) As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

PROCEDURE

- (a) The Chief Financial Officer in consultation with the MD & CEO of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.
- (b) The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- (c) The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- (d) The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- (e) The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- (f) The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- (g) The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).
- (h) Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

In the event of any amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law with respect to the process of recommendation/approval/payment of dividend, the same shall prevail and shall be deemed to form part of this policy.

Transfer of Unpaid / Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF.

DISCLOSURE

The Company shall make appropriate disclosures as required under applicable laws, rules or regulations.

GENERAL

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

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

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 upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

DISCLAIMER

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.
