

## DIVIDEND DISTRIBUTION POLICY

### SWARAJ GREEN POWER AND FUEL LIMITED

#### INTRODUCTION & APPLICABILITY

The Securities and Exchange Board of India on July 08, 2016 vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 introduced Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top one thousand listed entities based on market capitalisation to formulate a dividend distribution policy, which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. The other listed companies may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports

The Board of Directors ("the Board") of Swaraj Green Power and Fuel Limited (the "**Company**") has vide resolution of its board of directors dated May 24, 2025, adopted the following policy and the Board may amend this policy from time to time.

#### DEFINITIONS

##### **In this Policy:**

- a. "**Act**" means the Companies Act, 2013 & rules and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made there under.
- b. "**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, together with the circulars issued thereunder; and such other act, rules or regulations which deals with the distribution of dividend.
- c. "**Dividend**" includes interim dividend.

Words and Expressions used and not defined in this Policy but defined in the Act or Applicable Laws shall have the same meaning respectively assigned to them in those Acts/Applicable Laws.

#### CATEGORY OF DIVIDEND

##### **Final Dividend**

The Board shall have the power to recommend the payment of final dividend to the shareholders in a annual general meeting. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the annual general meeting.

## **Interim Dividend**

The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

In case of loss incurred by the Company during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, the rate of interim dividend cannot be higher than the average dividends declared by the Company during the immediately preceding three financial years.

## **PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND**

The Board of Directors of the Company shall consider the following circumstances and certain financial parameters (internal and external) while declaring or recommending dividend to shareholders:

### **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:**

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under Applicable Laws including the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The shareholders of the Company may expect dividend, only if the Company is having adequate profits after complying with all other statutory requirements under the Applicable Laws.

Subject to the discretion of the Board, the shareholders of the Company may not expect dividend in the following circumstances:

- i. in case of inadequacy of profits or whenever the Company has incurred losses;
- ii. whenever the Company undertakes or proposes to undertake any significant business expansion/ investment /acquisitions;
- iii. significant working capital requirement affecting free cash flow;
- iv. whenever the Company proposes to utilize surplus cash for buy- back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- v. whenever declaration of dividend is prohibited by any regulatory body or
- vi. as per any restriction from financial institution.

### **FINANCIAL PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND:**

The Board of the Company shall consider the following financial internal parameters while declaring or recommending dividend to shareholders:

- i. profits earned and available for distribution during the financial year;
- ii. retained earnings;
- iii. earnings outlook for next three to five years;

- iv. long-term investment proposals, capital restructuring, debt reduction;
- v. crystallization of contingent liabilities of the Company;
- vi. cash flows;
- vii. debt repayment schedules, if any;
- viii. fund requirement for contingencies and unforeseen events with financial implications.
- ix. In the circumstances where no material event has occurred affecting the long term business stability of the Company.
- x. No event has happened which may have long term material effect on the business of the Company. In such circumstances, dividend may be recommended or declared at the discretion of the Board.

#### **INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND:**

##### **(a) Internal Factors:**

Following are the internal factors to be considered while declaring or recommending dividend:

- i. requirement of additional investment in subsidiary of the Company;
- ii. future capital / expenditure requirements of the Company;
- iii. past dividend trend; and
- iv. any other relevant factors and material events.
- v. Acquisitions and/or any other potential strategic action;
- vi. Dividend type and time of its payment;

##### **(b) External Factors:**

Following are the external factors to be considered while declaring or recommending dividend:

- i. Regulatory or statutory changes significantly affecting the business;
- ii. Comparative dividend payment by other industry players;
- iii. Technological changes necessitating significant investments in the businesses.
- iv. Capital market scenario;
- v. Financial covenants stipulated by the lenders;
- vi. Covenants in agreement with shareholding group(s);

#### **UTILIZATION OF RETAINED EARNINGS:**

The Company shall endeavor to utilize retained earnings in a manner which is beneficial to the interests of the Company and also its shareholders. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

## **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:**

The dividend payments in respect of shares other than equity shares shall be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

## **REVIEW / AMENDMENT**

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.

## **CONFLICT OF POLICY**

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail and 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.

## **EFFECTIVE DATE**

This policy shall be effective from May 24, 2025.