



OLECTRA GREENTECH LIMITED

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

As per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 vide its notification dated 5th May 2021 made it mandatory for the Top 1000 companies, based on market capitalization (calculated as on 31st March of every financial year) to formulate and adopt a Dividend Distribution Policy.

Accordingly, Olectra Greentech Limited, being among the top 1000 companies based on the market capitalization as on March 31, 2021 has formulated this Policy.

2. OBJECTIVE

The objective of this Policy is to inform the shareholder and the public at large about Company's philosophy regarding distribution of profits among the shareholders in the form of Dividend. This Policy will help the investors to analyse whether Company's Dividend payment philosophy is meeting their investment objectives before investing into the Company.

This Policy shall act as a guidance note for the Company while making Dividend payment decisions.

3. DEFINITIONS

Unless the context otherwise requires, the words, terms and expressions used in this Policy shall have the meanings given to them under Section 2 of the Companies Act 2013 and/ or SEBI LODR Regulations, 2015.

- i) "Board of Directors" or "Board" means the Board of Directors of Olectra Greentech Limited.
- ii) "Company" means Olectra Greentech Limited.
- iii) "Companies Act" means Companies Act, 2013 and rules made thereunder, as amended from time to time including any re-enactment thereof.
- iv) "SEBI LODR Regulations, 2015" means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.
- v) "Policy" means Dividend Distribution Policy of the Company.
- vi) "Dividend" includes interim Dividend.



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4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Company firmly believes in the philosophy of payment of Dividend at regular intervals, whenever the financial position and other factors permit, in addition to creating long term value for the shareholders of the Company. The decision regarding payment of Dividend is always crucial as it determines the amount of profit/ surplus funds to be distributed among the shareholders and the amount to be retained for Company's growth and future contingencies. The Board shall consider all financial, internal and external factors as mentioned under this Policy and shall strive to strike a balance between payment of Dividend at regular intervals and long term wealth creation for the shareholders.

The Company may decide not to recommend/ pay any Dividend during a financial year in the following circumstances:

- In the event of loss or inadequacy of profit;
- Where other more suitable means are available to reward the shareholders instead of Dividend;
- Where Company needs to conserve its profits/ surplus funds for business plans and other exigencies;
- Non availability of surplus cash and liquid funds;
- Such other circumstances where Board is of the opinion to not declare/ pay any Dividend.

5. FINANCIAL PARAMETERS AND INTERNAL FACTORS

Following financial parameters and internal factors shall be considered while making Dividend decision:

- Net Profits for the Current financial year.
- Surplus in the Profit & Loss account.
- Availability of Free Reserves.
- Projected Cash Flow for next three financial years with special emphasis on Company's working Capital and Capital expenditure requirements.
- Liquidity projections for next three financial years.
- Further Capital infusion requirement in Company's subsidiaries/ Joint Ventures and other investment plans.
- Rate of growth in net profits and turnover during the preceding three financial years.
- Likelihood of crystallization of any of Company's contingent liabilities.
- Availability of other more suitable means to reward the shareholders instead of Dividend.



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- Such other parameters as may be considered appropriate by the Board of Directors from time to time.

6. EXTERNAL FACTORS

Following external factors shall be considered while making Dividend decision:

- Economic Environment: In case of uncertain or recessionary economic and business environment, Board shall endeavor to retain larger part of its profits to build up reserves.
- Industry outlook and performance of manufacturing and other sectors having a bearing on Company's performance.
- Government policies and regulatory provisions.
- Industry's average Dividend payout and shareholder's expectations.
- Such other factors as may be considered appropriate by the Board of Directors from time to time.

7. UTILIZATION OF RETAINED EARNINGS

Retained earnings may be utilized by the Company for any of the following:

- Business expansion and upgradation – Expansion and modernization of production facilities, product development, market expansion, business promotion and related activities.
- Payment of Dividend etc.
- Investments and new business opportunities.
- Meeting financial emergencies and other contingencies.
- Any other purpose as may be deem proper by the Board of Directors.

8. CLASSES OF SHARES

As on the date of this Policy, issued, subscribed and paid-up share capital of the Company consist of only Equity Shares of face value of Rs. 4/- each. There is no other class of shares.

9. DISCLOSURE

The Company shall place this policy on its website and shall also disclose the same in its Annual Report.

10. REVIEW AND AMENDMENT OF POLICY

This Policy shall be subject to periodical review by the Board.

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