

DIVIDEND DISTRIBUTION POLICY

1. Introduction & Objective

The Board of Directors (“the Board”) of Divine Power Energy Limited (“the Company”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company has adopted the Dividend Distribution Policy (“the Policy”).

The Dividend Distribution Policy (“the Policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company to strike balance between payout and retained earnings, in order to address future needs of the Company.

This Policy applies to all types of Dividend declared or recommended by the Board of Directors of the Company and seeks to conform to the requirements of Section 123 of the Companies Act 2013, the notified rules thereof and other such provisions. The policy shall come into force for accounting periods beginning from April 1, 2024.

2. Background and applicability

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 Listed Companies in India as per Market Capitalisation as on the preceding Financial Year shall formulate a dividend distribution policy.

The Board of Directors of Divine Power Energy Limited has adopted this Dividend Distribution Policy to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

3. Philosophy

The Company is committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4. Definitions

Unless repugnant to the context:

“**Act**” shall mean the Companies Act, 2013 including the Rules made thereunder.

“**Company or Divine Power Energy Limited**” shall mean Divine Power Energy Limited

“**Board**” or “**Board of Directors**” shall mean Board of Directors of the Company.

“**Dividend**” shall mean Dividend as defined under Companies Act, 2013 and/or SEBI Regulations.

“**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 modifications or re- enactments thereof for the time being in force.

5. Circumstances under which shareholders can expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

- a. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- b. Significantly higher working capital requirements adversely impacting free cash flow; Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- c. In the event of inadequacy of profit or whenever the Company has incurred losses;
- d. Embark upon new product / line of business;
- e. Such other purposes, as the Board may think appropriate from time to time to maintain /enhance its competitive advantage.

In case the Board of Directors abstains from declaring dividend, a justification thereof shall be provided to the shareholders in the Directors Report.

6. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

7. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Payout ratios of comparable companies
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Brand/business Acquisitions
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Cost and availability of alternative sources of financing
- Stipulations/ Covenants of loan agreements
- Macroeconomic and business conditions in general
- Providing of unforeseen event and contingency with financial implications
- Uncertain or recessionary economic and business conditions
- Unfavorable Capital Market conditions
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

8. Utilization of retained earnings

The Company would like to retain the balances in Reserves and Surplus to give the required strength to the balance sheet for exploring leverage options for supporting growth.

The retained earnings of the Company may be used in any of the following ways:

- Capital expenditure for working capital,
- Investment in new business(es) and/or additional investment in existing business(es),
- Declaration of dividend,
- Capitalisation of shares,
- General corporate purposes, including contingencies,
- Correcting the capital structure,
- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits
- Issue of Bonus shares
- Any other permissible purpose

9. Provisions regarding class of shares:

Currently, the Company has issued only Equity Shares and this policy shall be applicable to Equity Shares.

As and when the Company issues other kind of shares, the Board shall amend this policy along with Rationale at the time or before issue of other class of shares.

10. Modification of the Policy

The Management Committee of the Board of Directors is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

11. 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.