



# Dividend Distribution Policy

*(As per Regulation 43A of SEBI (LODR) Regulations, 2015)*

## 1. Preamble

This Dividend Distribution Policy ("Policy") has been framed in accordance with the requirements of **Regulation 43A** of the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** ("SEBI LODR Regulations").

The Policy aims to ensure a **balanced approach** toward **profit retention and dividend distribution**, providing clarity to stakeholders on the Company's principles and practices in declaring dividends.

## 2. Objective

- To lay down the **criteria and parameters** to be considered by the Board of Directors before recommending or declaring dividends;
- To ensure **transparency and consistency** in the decision-making process;
- To enable shareholders to make **informed investment decisions**.

## 3. Scope

This Policy applies to:

- **Equity shareholders** of the Company;
- **Final and interim dividends** declared or recommended by the Board;
- **Special dividends** where applicable.

## 4. Dividend Philosophy

Servotech Renewable Power System Ltd. aims to:

- Reward shareholders through a stable and sustainable dividend;
- Maintain financial flexibility to support future growth and capital requirements;
- Align dividend payouts with the Company's long-term value creation goals.

## 5. Parameters for Determining Dividend Payout

The Board shall consider the following parameters before declaring any dividend:

### 5.1 Internal Factors

- Profit after tax (PAT) and retained earnings
- Free cash flow and liquidity position
- Business expansion and CAPEX plans
- Working capital requirements
- Debt obligations and covenants
- Return on Equity (ROE) and other financial ratios
- Historical dividend payout trends

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## Servotech Renewable Power System Limited

(Formerly known as Servotech Power Systems Limited)

CIN : L31200HR2004PLC136025

Registered Office : Khata No. 1970, Khewat No. 1672, Khasra No. 21/20/2/2, Revenue Estate, Kundli, P.S.Rai, Sonipat, Haryana - 131029  
Corporate Office : 806, 8th Floor, Crown Heights, Hotel Crowne Plaza, Rohini Sector-10, New Delhi-110085



## 5.2 External Factors

- Macroeconomic environment and market conditions
- Government policies, taxation, and regulatory landscape
- Industry performance and peer benchmarks
- Shareholder expectations and investor sentiment

## 6. Utilization of Retained Earnings

Retained earnings shall be deployed towards:

- Future business expansion and diversification
- Product development and R&D
- Strengthening balance sheet and reserves
- Strategic acquisitions and partnerships
- Meeting unforeseen contingencies

## 7. Manner of Dividend Distribution

- Dividend shall be declared in **Indian Rupees** only.
- Payment shall be made through **electronic clearing service (ECS)** or other permissible methods.
- The Company shall ensure compliance with **statutory timelines** for dividend payment and reporting.

## 8. Circumstances under Which Shareholders May or May Not Expect Dividend

The Board may choose not to declare dividends in certain scenarios, including but not limited to:

- Adverse economic conditions or financial stress
- Significant planned capital expenditure
- Strategic investment opportunities
- Regulatory restrictions or adverse tax implications
- Force majeure or extraordinary events

## 9. Review and Amendment of Policy

- The Board shall review this Policy as and when required, but at least once every three years.
- Any changes to the Policy shall be recommended by the Audit Committee (if applicable) and approved by the Board of Directors.

## 10. Disclosures

This Policy shall be:

- Published on the Company's website: [www.servotech.in](http://www.servotech.in)
- Disclosed in the **Annual Report** as per Regulation 43A of SEBI (LODR) Regulations.

## 11. Disclaimer

In case of any ambiguity or conflict between this Policy and applicable laws/regulations, the provisions of the law shall prevail.

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