

Dividend Distribution Policy

INTRODUCTION

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), as amended, InSolare Energy Limited (**the "Company"**) has decided to formulate its Dividend Distribution Policy (**"Policy"**). Accordingly, the Board of Directors of the Company (**the "Board"**) has approved this Policy for the Company at its meeting held on 16th June 2025 being effective from the same date.

The objective of this Policy is to provide the dividend distribution framework to the stakeholders of the Company. This Policy is aimed to lay down the circumstances, parameters, external and internal factors including financial parameters that shall be considered while declaring dividend and intends to assist investors and stakeholders for their investing decisions. The Board may in extraordinary circumstances, deviate from the parameters listed in this Policy.

The Board shall recommend dividend in compliance with this Policy, the provisions of Companies Act 2013, and rules framed thereunder, as amended, ("Companies Act") and other applicable provisions.

PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

The decision on dividend payout is a critical one, as it determines how much profit will be distributed to shareholders and how much will be retained within the business. Before making any dividend recommendations, the Board will evaluate various financial metrics, as well as both internal and external factors, including but not limited to the following.

- a. Distributable surplus available as per the Act and Regulations.
- b. Stability of earnings of the Company and subsidiaries/associate companies/other ventures.
- c. Cash flow of the Company and subsidiaries/associate companies/other ventures from operations

- d. Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and associate companies) and other capital expenditure requirements of the Company and subsidiaries/other ventures.
- e. Dividend policy followed by the investee companies, as a substantial portion of the Company's income is earned by way of dividend from its subsidiaries.
- f. Industry outlook and stage of business cycle for underlying business.
- g. Leverage profile
- h. Compliance with covenants contained in any agreement entered by the Company with its lenders, customers or other parties, as applicable.
- i. Funding and liquidity considerations and the requirement of funds to service any outstanding loans/facilities.
- j. Macroeconomic and business conditions including the overall economic environment, changes in government policies, industry rulings & regulatory provisions on an Indian as well as global level.
- k. Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances
- l. Cost of external financing
- m. Past dividend trends
- n. Buyback of shares or any such alternate profit distribution measure.
- o. Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution
- p. Any other contingency plans
- q. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

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

The Authorised Share Capital of the Company is divided into equity share of face value Rs. 10 each and Preference shares of face value Rs. 100 each.

At present, however, the issued and paid-up share capital of the Company comprises of only equity shares.

The Company shall first declare dividend on outstanding preference shares if any, as per the terms of issue of such preference shares, and thereafter, the dividend would be declared on equity shares.

The equity shareholders of the Company, as on the record date to be decided, shall be entitled to receive dividends.

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

The Company will not recommend a dividend if it believes that doing so would not be financially prudent. While the Company may declare dividends in the future, this will be subject to sufficient profits and the absence of any internal or external factors, as outlined above, that may prevent such a declaration.

Additionally, while the Company aims to declare dividends to shareholders, the management may propose a lower dividend or recommend no dividend at all based on an analysis of financial parameters, cash flow, funds required for future growth, capital expenditures, or in the case of a decision to use surplus profits for a share buyback.

In accordance with applicable laws, the Board may declare one or more interim dividends during a financial year and recommend these for shareholder approval at the subsequent Annual General Meeting.

AMENDMENTS

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.