

# **MARG TECHNO PROJECT LIMITED**

## **DIVIDEND DISTRIBUTION POLICY**

*[Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

## **DIVIDEND DISTRIBUTION POLICY**

### **1. PREAMBLE**

This Dividend Distribution Policy is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the ‘Listing Regulations’). The Board of Directors of MTPL Limited (the “Company”), herein after referred as “the Board”, has approved the Dividend Distribution Policy of the Company (“the Policy”) and shall disclose the same on a voluntary basis in the annual reports and on the website of the Company. This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes.

### **2. DEFINITIONS**

“**Board**” shall mean the Board of Directors of the Company;

“**Companies Act**” shall mean The Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, and as amended;

“**Dividend**” includes any interim dividend;

“**Listed Entity / Company**” shall mean **Marg Techno Project Limited**;

“**Policy**” means Dividend Distribution Policy;

“**Stock Exchange**” shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

### **3. POLICY**

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

A dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company versus the amount of profit to be retained in business. The decision must balance the dual objective of appropriately rewarding shareholders and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The

shareholders of the Company will not be paid a dividend in the following circumstances, subject to discretion of the Board of Directors:

- 1) Proposed expansion plans requiring higher capital allocation;
- 2) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches, etc. which requires significant capital outflow;
- 3) Requirement of higher working capital for the purpose of business of the Company;
- 4) Proposal for buy-back of securities;
- 5) In the event of losses or inadequate profit.

## **B) PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND**

The dividend pay-out decision of the Board depends upon the following financial parameters, internal and external factors:

### **Financial parameters and Internal Factors:**

- a) Operating cash flow of the Company;
- b) Profit earned during the year;
- c) Profit available for distribution;
- d) Earnings per Share (“EPS”);
- e) Working capital requirements;
- f) Capital expenditure requirements;
- g) Business expansion and growth;
- h) Likelihood of crystallization of contingent liabilities, if any;
- i) Upgrading technology and physical infrastructure;
- j) Creation of a contingency fund to deal with any matter of emergency as approved by the Board;
- k) Cost of Borrowings;
- l) Past dividend pay-out ratio / trends.

### **External Factors:**

- a) Economic environment;
- b) Government regulations;
- c) Capital markets;
- d) Global conditions;
- e) Statutory provisions and guidelines;
- f) Dividend pay-out ratio of competitors with similar revenue

### **C) UTILIZATION OF RETAINED EARNINGS**

The Board will ask for earnings to be retained based on the available funds and on increasing the value of shareholders' investment in the Company. Decisions on the utilization of the retained earnings of the Company shall be based on the following factors:

- 1) Improving the Company's offerings to help it compete better in the market;
- 2) Expanding the Company's offerings to allow for increased revenue;
- 3) Increasing staff or equipment or ancillary resources to help the Company consolidate and grow its business;
- 4) Modernization plan including upgrading essential technology;
- 5) Replacement of capital assets;
- 6) Where the cost of debt is expensive;
- 7) Dividend payment;
- 8) Such other criteria as the Board may deem fit from time to time.

### **D) PARAMETERS FOR VARIOUS CLASSES OF SHARES**

Since the Company has issued only one class of equity shares with equal voting rights, all Members of the Company are entitled to receive the same amount of dividend per share. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue, and in accordance with the applicable regulations if and when the Company decides to issue any other classes of shares.

## **4. CONFLICT IN POLICY**

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

## **5. POLICY REVIEW AND AMENDMENTS**

This Policy will be modified in accordance with the guidelines / clarifications as may be issued from time to time by any relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with applicable regulations and must be approved in the manner decided by the Board of Directors.

\*\*\*\*\*