

Last Amendment Date	Effective Date	Approved By
October 27, 2021	October 28, 2021	Board of Director

## DIVIDEND DISTRIBUTION POLICY OF MPS LIMITED

This policy applies to the distribution of dividend by **MPS Limited** (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 (“Listing Regulations”).

### BACKGROUND

Pursuant to the Regulation 43A of the Listing Regulations, which mandates that the top one thousand listed entities, based on the market capitalization (calculated as on March

31 of every financial year), shall formulate a dividend distribution policy. This policy would be disclosed in the annual report and on the website of the Company.

The regulation further prescribe that, the dividend distribution policy shall include the following parameters:

- a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b) the financial parameters that shall be considered while declaring dividend;
- c) internal and external factors that shall be considered for declaration of dividend;
- d) Policy as to how the retained earnings shall be utilized; and
- e) Parameters that shall be adopted with regard to various classes of shares.

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

### OBJECTIVE

MPS Limited (the “Company”) has always strived to enhance stakeholder value for its investors. The Company believes that returning cash to shareholders is an important component of overall value creation.

### CONSIDERATIONS

The Board of Directors of the Company (“Board’) recommends dividend distribution based on the following factors:

- i. Reported and Projected Net Profit after Tax (PAT) available for distribution in the consolidated financial statements prepared in accordance with the Indian Accounting Standards (IND-AS) for the current and projected periods.
- ii. Reported and Projected statements of Free Cash Flow balance and generation.

- i. Committed and projected cash flow needs owing to the forecasted capital expenditure, anticipated investments in M&A and working capital requirements for current and projected periods.
- ii. The macro economic factors and the general business environment.
- iii. Corporate actions resulting in significant cash outflow for the Company.

#### CURRENT POLICY

Our dividend payout ratio over the past 10 years is shown in the table below:

	FY12*	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 ^
Payout %**	71.94	61.30	77.01	74.62	69.90	NIL	39.48	75.09	212.66	NIL

\*15 Months ended March 31, 2012.

\*\*Payout % is computed on dividend declared, including dividend distribution tax, divided by Profit after Tax.

^During the financial year 2020-21, the dividend payout was NIL due to utilization of cash inbuyback and acquisition of business of HighWire.

We expect our dividend policy to be in line with the historic trends. The Board has the discretion to recommend a higher or lower dividend keeping in mind the business considerations and other corporate actions including BuyBack etc., which result in high utilization of cash.

#### PROCEDURE

Final dividend is declared either at the May Board Meeting or Annual General Meeting (AGM) of the shareholders on the basis of recommendations of the Board. The Board may, at its discretion, also declare an interim dividend.

#### OTHER SALIENT POINTS

Retained Earnings may be used for corporate actions in accordance with the applicable laws and for investments towards growth of the business. This Dividend Distribution policy shall be applicable to the equity shares in accordance with respective Securities & Corporate law.

#### BOARD DISCRETION

The Board may recommend special dividend as and when it deems fit.

#### REVIEW

The Board will review the Dividend policy of the Company at regular intervals.

#### DISCLOSURE OF THE POLICY

This policy will be uploaded on the website of the Company and is available at [www.mpslimited.com](http://www.mpslimited.com).