



Quality

ENVIRO ENGINEERS LTD.

(Formerly known as Quality Enviro Engineers (P) Limited)

An ISO 9001 : 2015 Certified Company

Mfr. Importer & Supplier of: Waste Handling & Air Pollution Equipments



Regd. office : S-2, Dada Market, Sahibabad
Railway Station Road-II, Sahibabad,
Ghaziabad, Uttar Pradesh, India, 201005



+91-8808088807, 9212288807



query@qualityenviroengineers.com



www.qualityenviroengineers.com
www.qualityenviroengineers.in

CIN NO. U29190UP2016PLC082974

DIVIDEND DISTRIBUTION POLICY

QUALITY ENVIRO ENGINEERS LIMITED

(Formerly Known as Quality Enviro Engineers Private Limited)

1. OBJECTIVES AND SCOPE

The Board of Directors (the “Board”) of Quality Enviro Engineers Limited (hereinafter referred to as “Company”) recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend (including any interim dividend) by the Company whilst appropriately balancing the need of the Company to retain resources for the Company’s growth & sustainability.

Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board to recommend dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy shall not apply to determination and declaring dividend on preference shares, if any.

2. STATUTORY REQUIREMENTS

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being (hereinafter referred to as “Act”) in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, Regulation 43 A of SEBI Listing Regulations, such other applicable provisions of law and the Articles of Association of the Company as amended.

The Dividend Distribution Policy shall include the following parameters:

- The circumstances under which the shareholders of the Company may or may not expect dividend;
- The financial parameters that shall be considered while declaring dividends;
- Internal and external factors that shall be considered for declaration of dividend;
- Policy as to how the retained earnings shall be utilized; and
- Parameters that shall be adopted with regard to various classes of shares.





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In case the Company proposes to declare dividend on the basis of parameters in addition the clauses (a) to (e) or proposes to change such additional parameters or the 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.

3. CATEGORY OF DIVIDENDS

The Companies Act provides for two forms of Dividend- final and interim.

a. Final Dividend

Final dividend is paid once in a financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

b. Interim Dividend

Interim dividend may be declared by the Board of Directors one or more times in a financial year as may be deemed fit by the Board. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial results.

The Board at its discretion, may additionally recommend a Special Dividend under certain circumstances such as extraordinary profits from sale of investments etc.

4. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

While determining the nature and quantum of the dividend payout, the Board would take into account the following factors:

Financial/Internal Factors:

- a. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - Previous years and
 - Internal budgets
- b. Cash flow position of the Company
- c. Accumulated reserves
- d. Earnings stability
- e. Future cash requirements for organic growth/expansion and/or for inorganic growth



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- f. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities.
- g. Deployment of funds in short term marketable investments,
- h. Long term investments
- i. Capital expenditure(s)
- j. Current and projected Cash Balance and Company's working capital requirements
- k. Covenants in loan agreements, Debt servicing obligations and Debt maturity profile
- l. Past dividend history, rate of dividend, EPS and payout ratio, etc.

External Factors:

- a. Business cycles
- b. Economic environment
- c. Cost of external financing
- d. Applicable taxes
- e. Industry outlook for the future years
- f. Inflation rate, and
- g. Changes in Government policies, industry specific rulings & regulatory provisions.

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- a. the Company has inadequacy of profits or incurs losses for the Financial Year;
- b. the Company undertakes/proposes to undertake a significant expansion project requiring higher allocation of capital;



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- c. the Company undertakes/proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- d. the Company has significantly higher working capital requirement affecting free cash flow.
- e. the Company proposes to utilize surplus cash for buy- back of securities;
- f. the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned above.

6. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better utilization of the available funds and increase the value of the stakeholders in the long run. The retained earnings of the Company may, inter alia, be utilized for the following purposes:

- a. To meet the working capital/ business needs of the Company
- b. Long term strategic plans
- c. Augmentation/ Increase in production capacity
- d. Market expansion plan
- e. Product expansion plan
- f. Modernization plan
- g. Diversification of business
- h. Replacement of capital assets
- i. Balancing the Capital Structure by de-leveraging the Company
- j. Payment of Dividend or issue of Bonus Shares
- k. Other such criteria as the Board may deem fit from time to time.

7. DECLARATION AND PAYMENT OF DIVIDEND:

- a. As per section 123 of the Companies Act, 2013 Dividend (other than interim dividend), for a financial year shall be paid after the annual financial statements of the Company are finalised and the distributable profits are available.
- b. The declaration and payment of dividend shall be in accordance with the provisions of Sections 123 to 127 of the Companies Act, 2013.





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- c. Where the Company has incurred a loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years, in terms of Section 123(3) of the Act.
- d. The Company shall fix a record date for the purpose of payment of dividend and give advance intimation thereof to the stock exchange(s) in terms of Regulation 42 of the SEBI Listing Regulations, and shall pay dividend through electronic modes to the extent required under the SEBI Listing Regulations.
- e. Dividend shall be paid within thirty days from the date of its declaration, and any dividend remaining unpaid or unclaimed shall be transferred to the Unpaid Dividend Account and thereafter to the Investor Education and Protection Fund in accordance with Sections 124 and 125 of the Act.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of equity shares with equal voting rights and therefore all shareholders of the Company are entitled to receive the same amount of dividend per equity share. Parameters for dividend payments in respect of any other class of equity shares will be as per the respective terms of issue and in accordance with the Applicable Laws and will be determined, if and when the Company decides to issue other classes of equity shares/preference shares.

9. DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.qualityenviroengineers.com.

10. INAPPLICABILITY OF THE POLICY

The Policy shall not apply to a distribution by way of bonus shares or buyback of equity shares.

11. POLICY REVIEW AND AMENDMENTS

The Board may review and amend or modify this policy in whole or in part, at any time. This policy has been adopted by the Board of Directors of the Company at its meeting held on September 26, 2026 being the effective date of this Policy.

12. DISCLAIMER

- a. The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents general guidance regarding dividend policy. The statement of the Policy





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does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

- b. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.



Ashwani Srivastava
Ashwani Srivastava
(Chairman & Managing Director)

DIN: 07384826

Add: 975, Sector-3, Vasundhra
Ghaziabad, Uttar Pradesh, 201012

Date: September 26, 2026

Place: Ghaziabad

