



# **MEP INFRASTRUCTURE DEVELOPERS LIMITED**

## **DIVIDEND DISTRIBUTION POLICY**

**1. Introduction:**

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations”) prescribed Listed Companies are required to frame a Dividend Distribution Policy.

At its meeting held on 23<sup>rd</sup> May, 2018, the Board of Directors of MEP Infrastructure Developers Limited (“**Board**”) has adopted the following policy and procedure with regard to distribution of dividend during Financial Year 2018-19 to Financial Year 2020-21.

**2. Title:**

This Policy shall be called ‘Dividend Distribution Policy’.

**3. Objective:**

The objective of this policy is to enumerate the details of the parameters based upon which the decisions on dividend distribution will be made and provide clarity to the stakeholders on the same.

**4. Definitions:**

- a) “**Board of Directors**” or “**Board**” means the Board of Directors of MEP Infrastructure Developers Limited, as constituted from time to time.
- b) “**Companies Act, 2013**” means the Companies Act, 2013 and the rules framed thereunder or as amended from time to time.
- c) “**Company**” means MEP Infrastructure Developers Limited.
- d) “**Members/Shareholders**” shall mean shareholders of the Company who hold shares of the Company.
- e) “**Policy**” means this Policy, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

**5. Parameters for Distribution of Dividend:**

- a) The Company shall pay dividend (including interim dividend) in compliance with the provisions of Section 123 of the Companies Act, 2013.
- b) The Board of Directors will refer to this policy for declaration of interim dividend and for recommendation of dividend to shareholders for their approval in the Annual General Meeting.
- c) The Company has only one class of shareholders – equity shareholders. Therefore dividend declared will be distributed equally among all Equity shareholders, based on their shareholding as on the record date.

- d) The decision on the distribution of dividend will consider, inter-alia, the following parameters.

<b>Financial Parameters</b>	<b>Internal Factors</b>	<b>External Factors</b>
i. Net Profits after tax (adjusted for exceptional items, if any) ii. Accumulated Reserves iii. Cash Flow Position iv. Leverage Profile	i. Capital Expenditure Plans ii. Past Dividend Trends iii. Reinvestment Opportunities iv. Contingent Liabilities, under exceptional circumstances v. Covenants contained in agreements with lending institutions.	i. Economic Environment ii. Investor Expectations iii. Legal and Regulatory Framework iv. Taxation v. Future Outlook for the Company and the Industry

These parameters should be considered so that Shareholders would be periodically and appropriately rewarded for their investment in the Company and the Company should retain suitable capital to pursue its growth objectives, both for the short term and long term.

**6. Retained Earnings:**

The Company would endeavor to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and also for working capital, if required.

**7. Dividend – Payout:**

The Company shall endeavor to pay dividend aggregating at least 5.4% of the Standalone Net Profit after Tax (after adjustment for exceptional items, if any) during each of the next 3 (Three) Financial years commencing from the Financial Year 2018-19, subject to the parameters as stated above. The payout is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

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

**8. Deviations:**

The Board may not recommend any dividend or may recommend a lower payout for a given financial year, if:

- a. The Company has reported a net loss for the year;
- b. Cash flow from operations is negative;
- c. The credit protection or capital adequacy metrics of the Company require the same;
- d. The Company is undergoing any form of debt restructuring;
- e. The Company has been prohibited to declare dividends by any regulatory authority or Lender;
- f. The Company has implemented, or intends to implement, a share buyback scheme or any other alternate profit distribution measure;
- g. Any other extraordinary circumstance.

**9. Procedure:**

Final dividend is declared at the Annual General Meeting (AGM) of the shareholders on the basis of recommendations of the Board.

**10. Amendments:**

The Board of the Company may, subject to applicable laws, review and amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new policy, if required.

**11. Scope and limitation:**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or any other statutory enactments or rules, / the LODR Regulations, the provisions of LODR Regulations/ the Companies Act, 2013 or statutory enactments or rules shall prevail over this Policy.

**12. Dissemination of Policy:**

This Policy shall be hosted on the website of the Company and a web link thereto shall be provided in the annual report of the Company.

