



# **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 (“Policy”).

The listed entities other than those specified at sub-regulation (1) of Regulation 43A of LODR Regulations, may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

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. Further, at the Meeting held on 29<sup>th</sup> June, 2021, the Board has renewed and re-adopted the policy for a further period of 3 Years from the Financial Year 2021-22 to Financial Year 2023-24, the Policy shall be operative with effect from that date.

## 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.
- f) “**Dividend**” represents the profit of the Company, which is distributed to the shareholders in proportion to the amount paid-up on the equity shares held by them. The term ‘Dividend’ includes Interim Dividend

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)	i. Capital Expenditure Plans	i. Economic Environment
ii. Accumulated Reserves	ii. Past Dividend Trends	ii. Investor Expectations
iii. Cash Flow Position	iii. Reinvestment Opportunities	iii. Legal and Regulatory Framework
iv. Leverage Profile	iv. Contingent Liabilities, under exceptional circumstances	iv. Taxation
	v. Covenants contained in agreements with lending institutions.	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 decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

The Board may at its discretion recommend dividend as and when it deems fit and after considering all the parameters for Dividend Payout.

**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:**

The Company currently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares

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.