

**Metropolis Healthcare Limited Dividend Distribution Policy**

<b>Reviewing Authority</b>	Board of Directors of the Company
<b>Approving Authority:</b>	Board of Directors of the Company
<b>Original Issue Date:</b>	February 11, 2019
<b>Last Revision Date:</b>	N.A.
<b>Version No.:</b>	1.0
<b>Review Cycle:</b>	Every year and at such Intervals as prescribed under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.
<b>Applicability</b>	The Company and its Subsidiaries

**1. Background**

- 1.1 In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended, Metropolis Healthcare Limited (the “**Company**”) has decided to formulate its Dividend Distribution Policy (“**Policy**”). Accordingly, the Board of Directors of the Company (the “**Board**”) has approved this Policy for the Company at its meeting held on **February 11, 2019** being effective from **February 11, 2019**
- 1.2 The objective of this Policy is to provide the dividend distribution framework to the stakeholders of the Company. This Policy is aimed to lay down the circumstances, parameters, external and internal factors including financial parameters that shall be considered while declaring dividend and intends to assist investors and stakeholders for their investing decisions. The Board may in extraordinary circumstances, deviate from the parameters listed in this Policy.
- 1.3 The Board shall recommend dividend in compliance with this Policy, the provisions of Companies Act 2013 and rules framed thereunder, as amended, (“**Companies Act**”) and other applicable provisions.

**2. Parameters to be considered while declaring dividend**

- 2.1 The decision regarding dividend pay-out 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. The Board will consider various financial parameters and internal and external factors, including but not limited to the following before making any recommendations for dividends;

- a. Distributable surplus available as per the Act and Regulations.
- b. Stability of earnings of the Company and subsidiaries/associate companies/other ventures.
- c. Cash flow of the Company and subsidiaries/associate companies/other ventures from operations
- d. Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and associate companies) and other capital expenditure requirements of the Company and subsidiaries/other ventures.
- e. Dividend policy followed by the investee companies, as a substantial portion of the Company's income is earned by way of dividend from its subsidiaries.
- f. Industry outlook and stage of business cycle for underlying business.
- g. Leverage profile
- h. Compliance with covenants contained in any agreement entered into by the Company with its lenders, customers or other parties, as applicable.
- i. Funding and liquidity considerations and the requirement of funds to service any outstanding loans/facilities.
- j. Macroeconomic and business conditions including the overall economic environment, changes in government policies, industry rulings & regulatory provisions on an Indian as well as global level.
- k. Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances
- l. Cost of external financing
- m. Past dividend trends
- n. Buyback of shares or any such alternate profit distribution measure.
- o. Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution
- p. Any other contingency plans.
- q. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

### **3. Parameters that shall be adopted with regard to various classes of shares**

- 3.1 The Company has issued only one class of shares viz. equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. Parameters for dividend payment in respect of any other class of shares, if issued, will be as per respective terms of issue in accordance with the articles of association of the Company and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

### **4. Circumstances under which shareholders may or may not expect Dividend**

- 4.1 The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The Company may declare dividends in future unless the Company is restrained due to insufficient profits or due to any of the internal or external factors listed above.
- 4.2 Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds

required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buy-back of existing share capital.

- 4.3 The Board may in compliance with applicable law declare one or more interim dividends during a financial year and recommend such interim dividend for the confirmation of its shareholders at the subsequent annual general meeting.

## **5. Procedure for deciding quantum of dividend**

- 5.1 The Chief Financial Officer (“**CFO**”) and Company Secretary (“**CS**”) after considering the parameters mentioned above and in consultation with the Managing Director (“**MD**”) / Chief Executive Officer/Manager may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- 5.2 The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- 5.3 The final dividend recommended by the Board is subject to approval/declaration by the shareholders in the ensuing general meeting.
- 5.4 The interim dividend approved by the Board requires confirmation by the shareholders in the ensuing general meeting.
- 5.5 In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and regulations from time to time.

## **6. General**

- 6.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy and as per the provisions of Companies Act. Further, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded while computing the profits for the purpose of declaration of dividend.
- 6.2 Subject to compliance with applicable law, the Company’s retained earnings, if any will be used for the Company’s growth plans, issuance of bonus shares capital adequacy/liquidity requirements, debt repayments, and other contingencies and/or for any of the purposes specified in paragraph 2 above.
- 6.3 If the Board decides to deviate from this Policy, the rationale for the same will be suitably disclosed.

## **7. Review / Modification of the Policy**

- 7.1 The Board reserves the right to amend, modify or review this Policy along with the rationale for the same in whole or in part, at any point of time, as may be deemed necessary in accordance with the amendment of the Companies Act and the

Regulations, and any other regulations, guidelines/clarifications as may be issued from time to time by relevant statutory and regulatory authority.

## **8. Disclosure**

- 8.1 The Company shall make appropriate disclosures as required under the Listing Regulations.

## **9. PENALTY FOR NON ADHERENCE OF THE CLAUSES OF THE POLICY**

- 9.1 Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

## **10. Disclaimer**

- 10.1 This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.

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