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GPT HEALTHCARE LIMITED

DIVIDEND DISTRIBUTION POLICY

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September 27, 2023	1	Board of Directors	Company Secretary

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND

The board of directors (the “Board”) of GPT Healthcare Limited (the “Company”) has voluntarily adopted the ‘Dividend Distribution Policy’ (the “Policy”) to lay down a broad framework for considering decisions by the Board, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits.

This Policy is drafted in compliance with the provisions of SEBI Listing Regulations and other applicable provisions (including any statutory enactments / amendments thereof).

2. OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

Company would endeavor to pay sustainable dividend keeping in view the Company’s policy of meeting the long-term growth objectives from internal cash accruals.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take in to consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

4. PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for next three to five years
- Expected future capital/liquidity requirements
- Any other relevant factors and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment- Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates
- Regulatory changes-Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged

5. UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company

6. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

7. DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

1) Current financial year's profit:

a) after providing for depreciation in accordance with law;

b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion

2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or

3) out of 1) & 2) both.

Before declaring any dividend:-

a. Losses, if any, for the previous year(s) must be set off against the profit for the current year or previous year(s)

b. Board shall avoid the practice of declaring dividends out of Reserves

8. QUANTUM OF DIVIDEND AND DISTRIBUTION

The Board shall endeavour to maintain the Dividend Payout Ratio as near to 40% i.e. {Dividend for the year/Net Profit for the year}. However, this shall be subject to:-

- a. Company's need for capital for its growth plan
- b. Cash flow from operations being in excess of 80% of EBITDA

9. FORMS OF DIVIDENDS

Final Dividend

The final dividend is paid once for the 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 for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Interim Dividend / Special Dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results. This would be in order to supplement the annual dividend or to reward shareholders in exceptional circumstances.

10. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

11. AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.