

HEALTHIUM MEDTECH LIMITED
CIN No. U03311KA1992PLC013831

Regd. Office Address: 472/D, 4th Phase, 13th Cross Peenya Industrial Area
Bangalore -560058

DIVIDEND DISTRIBUTION POLICY

1. Introduction

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015” as amended (the “**Listing Regulations**”), it is mandatory to have a Dividend Distribution Policy in place by the top thousand listed companies based on the market capitalisation calculated as on March 31, every year.

The Board of Directors (the “**Board**”) of Healthium Medtech Limited (“**Company**”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“**Policy**”).

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

2. Purpose:

The objective of this policy is to provide guidelines to the Board of Directors of the Company (“**Board**”) in balancing the dual objectives of appropriately rewarding shareholders through dividends and retaining capital to support development/expansion of the Company and maintain a healthy capital adequacy ratio.

This policy also aims to sets out the key parameters and circumstances that Board need to consider for arriving at the dividend distribution decision/recommendation. The Board may in extraordinary circumstances, deviate from the guidelines of this Policy by recording the reasons thereof.

3. Applicability:

This policy applies to the distribution of dividend by the Company to shareholders of the Company in accordance with the provisions of the Memorandum & Articles of Association of the Company, the Companies Act, 2013 and other applicable laws/rules/regulations.

4. Forms of Dividends

a) Interim Dividend

The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit. In case no final dividend is declared for any particular financial year,

interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting (“AGM”).

b) 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 Annual 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.

c) Special Dividend

The Board may declare/recommend special dividend as and when it deems fit.

5. Parameters considered while Declaring Dividend

Dividends are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. The Board may recommend dividends, at its discretion, to be paid to shareholders. The Board may also declare interim dividends. The Board shall consider the following parameters while declaring dividend or recommending dividend to shareholders:

a) External Factors to be considered while recommending/ declaring dividend

- a) State of the domestic and global economy, capital market conditions and dividend policy of competitors;
- b) Competition or client related risks;
- c) Legislations impacting business or tax;
- d) Client related risks; and
- e) Any other external matter or risk

b) Internal Factors to be considered while recommending/ declaring dividend

- a) Current year profits, existing reserves and future projections of profitability;
- b) Funds required towards working capital, servicing of outstanding loans and capital expenditure;
- c) Funds required for merger/acquisitions and towards execution of the Company's strategy;
- d) Minimum cash required for contingencies or unforeseen events;
- e) Maintaining of required liquidity and return ratios; and
- f) Any other significant developments that require cash investments.

c) Statutory Requirements

The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

6. Retained Earnings

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

7. Modification of the Policy

The Board of Directors/Committee of the Board of Directors is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

8. Circumstances under which the shareholders may not expect dividend

The Board may choose not to recommend a dividend, if there are important strategic priorities which require large investments that would deplete the Company's cash reserves or due to uncertainties in the business performance in the near to medium term or due to regulatory/contractual restrictions, if any.