

**Tejnaksh Healthcare Limited**  
**Dividend**  
**Distribution Policy**

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

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## **1. PRELUDE**

1.1. The Securities Exchange Board of India (SEBI) vide Notification dated 8<sup>th</sup> July, 2016 has amended the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 by inserting Regulation 43A. The Regulation 43A of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 mandates top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy and the same needs to be disclosed in the Annual Report and on the Company's website.

## **2. OBJECTIVE**

2.1. The objective of this Dividend Distribution Policy is to comply with the requirement of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to have a suitable balance between short term and long term return expectations of the Shareholders like regular returns in the form of dividend and their wealth maximization.

## **3. DEFINITIONS**

Unless repugnant to the context:

3.1: "**Act**" shall mean the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

3.2: "**Applicable Laws**" shall mean the Companies Act, 2013 and Rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other Acts, Rules or Regulations which provides for the distribution of Dividend.

3.3: "**Associate**" shall mean Associate Company as defined under the Companies Act, 2013.

3.4: "**Company**" or "**Tejnaksh**" shall mean Tejnaksh Healthcare Limited.

3.5: "**Board**" or "**Board of Directors**" shall mean the Board of Directors of the company.

3.6: "**Audit Committee**" shall mean the Audit Committee of the Board of Directors of the Company.

3.7: "**Dividend**" shall mean Dividend as defined under the Companies Act, 2013.

3.8: "**Policy or this Policy**" shall mean Tejnaksh Healthcare Limited. - Dividend Distribution Policy.

3.9: "**Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars, notifications etc. issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

3.10: “**Subsidiary**” shall mean Subsidiary company as defined under the Companies Act, 2013.

3.11: Words and expressions used and not defined in this Policy but defined in the Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder and Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

#### **4. PARAMETERS FOR DECLARATION OF DIVIDEND**

4.1 The Audit Committee and the Board of Directors of the Company would consider the following financial parameters, internal and external factors before declaring or recommending dividend to shareholders:

- Profit earned during the year;
- Expected future earnings;
- Profit available for distribution;
- Dividend paid in the previous years;
- Liquidity position;
- Requirement of fund for unforeseen events and contingencies;
- Outstanding borrowings;
- Capital Expenditure requirements for new projects, expansion of capacities of existing units and renovation/modernizations etc.;
- Fund requirement for possible acquisition/ new business;
- Future investments in Subsidiary and/or Associate companies;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Economic, Social or Political environment;
- Any other strategic priorities/initiatives.

#### **5. AMOUNT OF DIVIDEND**

5.1 The amount of maximum dividend payout (including interim dividend) along with dividend distribution tax is expected to be up to 25% of the net profit under Standalone Financial Statement prepared as per applicable accounting standards.

#### **6. TIMING**

6.1 Interim Dividend: The Board may declare the interim dividend, based on review of profits earned during the current year – to date. The interim dividend may be declared during the tenure of the financial year i.e., at the time of reviewing and approving the quarterly / half – yearly financial results or at any other time decided by the Board of Directors.

6.2 Final Dividend: The Board may recommend the final dividend, subject to the approval of the members of the Company, based on profitability of the Company as per the annual audited financial statements. The final dividend may be recommended once in a year and shall be subject to the approval of the members of the Company at their meeting held for the purpose.

## **7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

7.1 The shareholders of the Company may not expect Dividend under the following Circumstances:

- Major expansions requiring significant funds;
- Acquisitions or investment in Associate Companies or new business requiring significant funds;
- Additional working capital requirements adversely impacting free cash flow;
- Buy-back of securities; or
- Inadequacy of profits.

## **8. UTILISATION OF RETAINED EARNINGS**

8.1 Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Capital expenditure, repayment of debt and working capital requirements etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

## **9. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

9.1 At present the issued and paid up share capital of the company comprises only of Equity Shares. As and when the Company issues any other class(es) of shares, the Board of Directors may suitably declare dividend on such class(es) in accordance with the terms of issue of such shares and provisions of the Act.

## **10. TAXATION**

10.1 The Company shall be responsible for payment of Dividend Distribution Tax as per the provisions of the Income Tax Act, 1961 as amended thereof from time to time.

If the applicable laws provides for it, Company shall deduct tax at source on the payment of dividend to the shareholders.

## **11. PROCEDURE**

- 11.1 The Audit Committee of the company shall recommend amount to be declared/ recommended as interim/final Dividend to the Board of Directors of the Company.
- 11.2 The agenda of the Board of Directors Meeting where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- 11.3 Interim Dividend declared by the Board of Directors shall be paid by the Company and ratified by the shareholders at the ensuing Annual General Meeting of the Company.
- 11.4 Final dividend recommended by the Board shall be paid by the Company subject to its approval by the shareholders at the ensuing Annual General Meeting of the Company.
- 11.5 The Company shall ensure compliance of provision of Applicable Laws of this Policy in relation to Dividend declared by the Company.

## **12 DISCLOSURE**

- 12.1. The Company shall make appropriate disclosures as required under the SEBI Regulations.

## **13 POLICY REVIEW AND AMENDMENTS**

- 13.1 The Board may amend, modify, repeal or waive any of the stipulations of this Policy at any time, as it determines necessary or appropriate, in the exercise of its judgment or fiduciary duties and as per the provision of the Act and applicable laws.