



AMRUTANJAN HEALTH CARE LIMITED

DIVIDEND DISTRIBUTION POLICY*

Introduction:

The primary focus and priority of the management would be to explore all available opportunities and avenues where surplus funds of the Company can be re-invested scrupulously to support its aggressive growth momentum. However, enhancement of shareholders wealth by way of returning their capital through appropriate means would also be considered positively as and when favourable condition arises.

Since its inception in 1936, the Company has shown consistency in sharing attractive portion of its earnings with the shareholders as "Dividend" in all years except for a few. The company has also executed successfully a couple of "share buyback" programs in the past which have further added to the value of shareholders.

Objective:

The purpose of this Policy is to enable the shareholders to appreciate the strategies behind the distribution of surplus profits available with the company. It also provides guidance to the Board of Directors while recommending the nature and quantum of dividends in each financial year.

Periodicity:

Dividends will generally be declared and paid three times a year as per the following timelines:

- First Interim Dividend will be declared after the announcement of the Second quarter results.
- Second Interim Dividend will be declared after the announcement of the Third quarter results
- The Final Dividend will be declared after the approval of the shareholders in the Annual General Meeting.

The company may choose to declare a special dividend for its shareholders in any year on special occasions and in the year in which the company has made exceptional profits;

The First Interim Dividend, the Second Interim Dividend and the Final Dividend are likely to be declared in the ratio of 25%, 25% and 50% of the estimated annual dividend for the financial year respectively.

Dividend Eligibility:

As the Company has only one class of equity shareholders, the dividends declared will be distributed equally among all equity shareholders based on their shareholding on the record date fixed by the Company.

Target Dividend:

Since the Company always maintains cash surplus, the dividend pay-out in each financial year, including interim dividends, will be maintained at the minimum level of 20% of Profit after Tax (PAT). Special dividends, if any will be declared in addition to the regular dividend pay-out.

Considerations while deciding dividend:

The Board will consider the following factors before making any recommendation for the dividend:

Financial Factors

- Profits earned during the quarter/financial year
- Accumulated reserves
- Capital Expenditure requirements for future;
- Contingent Liabilities
- Earnings stability
- Cash reserves to meet the fixed & operating cost for a minimum of one year at all times;

Non-Financial Factors

- Business Growth & Reinvestment opportunities
- Past dividend trends
- Growth & Diversification Plans
- Legal and regulatory framework
- Economic environment

Buyback:

The company may pursue buy back of equity shares when the current market price of the stock is trading at valuations lower than the fair value of the equity. The instances in the previous occasions when the Company sought for equity buy back have supported this view.

Policy Approval and Updates:

The implementation of this Policy is subject to compliance of applicable legal provisions and approvals. The Policy will be reviewed by the Board as and when it deems necessary and any changes or revisions to this Policy will be communicated to shareholders in a timely manner.

The most recent version of this Policy will be available on the Company's website.

*Approved by the Board in its meeting held on 29.6.21