

# **KOVAI MEDICAL CENTER AND HOSPITAL LIMITED**

## **DIVIDEND DISTRIBUTION POLICY**

### **INTRODUCTION**

The Dividend Distribution Policy (hereinafter referred to as the “Policy”) has been developed in accordance with the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Board of Directors (the “Board”) of Kovai Medical Center and Hospital Limited (the “Company”) has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The regulation requires that every top one thousand listed entities based on market capitalisation (calculated on March 31<sup>st</sup> every year) formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

### **DIVIDEND**

Dividend means distribution of profits, earned in the current year or earlier years, by the Company, to its shareholders in proportion to the amount paid-up on shares held by them. Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs. 10 each. There are no other classes of shares. Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

### **FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDENDS**

The Board will consider various factors as mentioned below before arriving at a decision on declaration of dividend:

## **FINANCIAL AND INTERNAL FACTORS:**

- Profits earned / Inadequacy of profit during the year
- Operating cash flow and future cash flow needs
- Accumulated reserves
- Capital expenditure requirements for expansion and growth
- Long term growth strategy of the Company
- Funds requirement for contingencies and unforeseen events
- Cost of Borrowings

## **EXTERNAL AND OTHER FACTORS:**

- Taxation policy and any amendments expected thereof
- Cost and availability of alternative sources of financing
- State of economy and nature of industry
- Any other relevant factors that the Board may deem fit.

## **UTILISATION OF RETAINED EARNINGS**

The portion of profits not distributed among the shareholders as dividends are used for the business activities of the Company.

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital
- ii. Organic and/ or inorganic growth
- iii. Investment in new business(es) and/or additional investment in existing business(es)
- iv. Declaration of dividend
- v. Capitalisation of shares
- vi. Buy back of shares
- vii. General corporate purposes, including contingencies
- viii. Any other permitted usage as per the Act

## **DISCLOSURES**

The policy will be available on the Company's website and the link to the policy is: [www.kmchhospitals.com](http://www.kmchhospitals.com)

The policy will also be disclosed in the Company's Annual Report.

## **REVIEW & MODIFICATION**

The Board is authorised to change or modify this Policy from time to time at its sole discretion and/or in pursuance of any amendments made by any relevant law for the time being in force.