

VIJAYA DIAGNOSTIC CENTRE LIMITED



DIVIDEND DISTRIBUTION POLICY

Background

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by Vijaya Diagnostic Centre Limited (“VDCL”/“the Company”) as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force for accounting periods beginning from 26th May, 2021.

Dividend would be declared on per share basis on the Ordinary Equity Shares of the Company having face value Re.1 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

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 (AGM) 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.

The Company would have a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The dividend, if any, will depend on a number of factors, including but not limited to the Company’s results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also pay interim dividend. The Company has no formal dividend policy.

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- Internal Factors:
 - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years and
 - b. Internal budgets,
 - ii. Cash flow position of the Company,
 - iii. Accumulated reserves

- iv. Earnings stability
 - v. Future cash requirements for organic growth/expansion and/or for in organic growth,
 - vi. Brand acquisitions,
 - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
 - viii. Deployment of funds in short term marketable investments,
 - ix. Long term investments,
 - x. Capital expenditure(s),and
 - xi. The ratio of debt to equity (at net debt and gross debt level).
- External Factors:
 - i. Business cycles,
 - ii. Economic environment,
 - iii. Cost of external financing,
 - iv. Applicable taxes including tax on dividend,
 - v. Industry outlook for the future years,
 - vi. Inflation rate, and
 - vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

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. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to share holders in a timely manner.

The policy will also be disclosed in the Company's annual report.

Procedure

- a. The dividend proposal placed before the Board for consideration shall be in terms of this policy.
- b. The Company shall ensure compliance of provisions of applicable Laws and this policy in relation to Dividend declared by the Company.

Disclosure

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

General

- a. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- b. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this policy.
- c. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.
