



MAX HEALTHCARE INSTITUTE LIMITED

CIN: U72200MH2001PLC322854

DIVIDEND DISTRIBUTION POLICY (the “Policy”)

Type: Policy	Owner: Board of Directors	Custodian: Chief Financial Officer & Company Secretary
Effective Date: August 21,2020	Latest Review: June 19, 2020	Communication Plan: Web
Version: 1	Privacy Classification: Open General	Doc. No. Listing Policy / FY 20-21

1. PREAMBLE

- 1.1. This Policy applies to the declaration and distribution of dividend by Max Healthcare Institute Limited (the “**Company**”) and has been adopted pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).
- 1.2. This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors in determining the declaration and distribution of dividend to its shareholders and/or retaining profits earned by the Company.
- 1.3. The Board of Directors may in certain circumstances, deviate from the parameters listed in this Policy, subject to the provisions of the Applicable Laws, and as per the process prescribed under the Listing Regulations.

2. DEFINITIONS

- 2.1. “**Act**” means the Companies Act, 2013 along with rules, notifications and circulars made / issued thereunder, as amended from time to time.
- 2.2. “**Applicable Laws**” include any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by any governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company, and as amended from time to time.
- 2.3. “**Board of Directors**” or “**Board**” means the board of directors of the Company, including any duly authorised committee thereof.
- 2.4. Any other terms used in this Policy, and not defined herein, shall have the same meaning as assigned to such terms under the Act, the Listing Regulations or any other Applicable Law.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND

- 3.1. The Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under Applicable Laws. The Board, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company, the financial performance of the Company and the planned and further investments for growth, apart from the other parameters set out in this Policy.
- 3.2. Some circumstances wherein the shareholders may not expect dividend include, and are not limited to:
 - a) adverse market conditions and business uncertainty;
 - b) inadequacy of profits earned during the financial year; and
 - c) inadequacy of cash reserve etc.
- 3.3. The Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the ongoing or planned business expansion, or any other factors which may be considered by the Board.

4. FINANCIAL PARAMETERS AND INTERNAL FACTORS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The Board shall consider the following financial parameters and internal factors while declaring or recommending dividend payable to the shareholders:

- 4.1. profits earned during the financial year;
- 4.2. retained earnings;
- 4.3. cash balance and cash flow;
- 4.4. earnings outlook for next three to five years;
- 4.5. capital allocation plans including:
 - a) expected cash requirements of the Company towards working capital, capital expenditure in infrastructure, *etc.*;
 - b) investments required for execution of the Company's strategy;
 - c) funds required for any acquisitions that the Board may approve;
 - d) any bonus or rights issuances of shares; and
 - e) any share buy-back plan.
- 4.6. minimum cash required for contingencies or unforeseen events;
- 4.7. funds required to service any outstanding loans;
- 4.8. liquidity and return ratios; and
- 4.9. any other significant developments that require cash investments.

5. EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Board shall consider the following external factors while declaring dividend or recommending dividend to shareholders:

- 5.1. Any significant changes in macro-economic environment affecting the business of the Company;
- 5.2. Any political, tax and regulatory changes in the geographies in which the Company operates, which significantly affect its proposed or ongoing business; and
- 5.3. Any changes in the competitive environment requiring significant investment.

6. UTILISATION OF RETAINED EARNINGS

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for the purposes outlined in clause (4.5), for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board. Retained earnings may also be utilised to declare dividend to the shareholders, subject to the provisions of the Applicable Laws.

7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the Applicable Laws and will be determined, if and when the Company decides to issue other classes of shares.

8. AMENDMENT, MODIFICATION AND REVIEW

The Board may, subject to the Applicable Laws, amend any provision(s) or substitute any of the provision(s) of this Policy with new provisions, or replace this Policy entirely with a new policy, if deemed necessary in the interests of the Company.

9. DISCLOSURE

As prescribed under the Listing Regulations, this Policy shall be disclosed on the website of the Company and in the annual report of the Company.