



SAHAJANAND MEDICAL TECHNOLOGIES LIMITED

DIVIDEND DISTRIBUTION POLICY

Name	Dividend Distribution Policy
Approval Date	May 29,2025
Version	Version 1
Effective date of the Policy	May 29,2025



INTRODUCTION:

The Board of Directors (**“the Board”**) of Sahajanand Medical Technologies Limited (**“the Company”**) have adopted this Policy on Dividend Distribution (**“Policy”**) in accordance with the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**“Listing Regulations”**).

OBJECTIVES:

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company’s growth & sustainability.

The objective of this Policy is to establish the parameters, circumstances and factors to be considered by the Board of the Company before declaring or recommending any dividend to the shareholders, and the circumstances under which the shareholders of the Company may or may not expect dividend.

Through this Policy, the Company also endeavours to maintain fairness and consistency while considering distributing dividend to the shareholders.

INTERPRETATION:

All the words and expressions used herein and not defined shall have the same meaning as ascribed to them in the Companies Act 2013 (**“Act”**), Listing Regulations, SEBI Act 1992, as amended, or rules and regulations made thereunder and any other relevant legislation applicable to the Company.

THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this Policy.

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

- The Company has inadequacy of profits or has incurred losses
- In case the Company is undertaking significant expansion, renovation and/or upgradation which would require higher allocation of capital



- In case the Company proposes to utilise surplus cash for buy-back of securities or setting off of previous year's losses or losses of its subsidiary/ies
- Whenever the Company undertakes any acquisitions or joint ventures requiring significant allocation of capital or in case the Company expands its stake in any of these entities
- Significantly higher working capital requirement affecting free cash flow
- The Company is prohibited to recommend/declare dividend by any regulatory body.

Parameters to be considered before recommending dividend:

Internal Factors / Financial Parameters: The Board of Directors of the Company would consider the following financial parameters and factors before declaring or recommending dividend to shareholders-

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Post Dividend Earning Per Share
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Outstanding borrowings
- Capital restructuring, debt reduction plans, etc.
- Working capital requirements
- Crystallization of contingent liabilities of the Company
- Available cash flow for distribution
- Covenants in loan agreements and Debt servicing obligations

External Factors: The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Significant changes in economic environment materially affecting the business in which the Company is engaged
- Dividend pay-out ratios of companies in the same industry
- Inflation rates
- Cost of external financing
- Statutory provisions and guidelines
- Government policies and Regulatory requirements/restrictions

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 its shareholders.



The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of the Company.

PARAMETERS REGARDING VARIOUS CLASSES OF SHARES:

Payment of dividend for all classes of shares shall be based on the respective rights attached to each class of shares as per the terms and conditions of their issue, subject to the applicable laws.

The Company may deviate from the aforesaid parameters, subject to compliance with the applicable laws and shall disclose such changes along with the rationale for the same in its annual report and on its website.

DISCLOSURE:

The Policy shall be uploaded on the website of the Company at www.smtpl.com and web link will be provided in the annual report.

DISCLAIMER:

The Policy does not constitute a commitment regarding the future dividends of the Company but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in a year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

REVIEW AND AMENDMENT:

- i) This Policy is framed based on the provisions of the Listing Regulations. In case of any subsequent changes in the provisions of the Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Listing Regulations, then the provisions of the Listing Regulations would prevail over the Policy.
- ii) Any change, amendment, or addition to this Policy shall require prior approval of the Board. However, the Company Secretary is authorized to make amendments to this Policy to give effect to any changes or amendments notified by Ministry of Corporate Affairs and the Securities and Exchange Board of India. Such amendments shall be placed before the Board for noting and ratification at its subsequent meeting.
- iii) The Company Secretary in coordination with Chief Financial Officer shall review this Policy periodically and recommend any proposed changes to the Board for approval.

LIMITATION:

In the event of any conflict between the provisions of this Policy and the Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the



provisions of the Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.
