

DIVIDEND DISTRIBUTION POLICY

1. PREFACE

In compliance with the provisions of the Companies Act, 2013 and rules made thereunder (the 'Act') and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), as amended from time to time, this Policy provides guidance for declaration of dividend and its pay-out by the Company. The Board of Directors (the 'Board') will consider the Policy while declaring / recommending dividend on behalf of the Company.

2. SCOPE AND OBJECTIVE

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

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The objective of this policy is to maintain guidelines for the Board to follow when declaring or recommending the amount of dividend (interim or final) per share.

3. DIVIDEND

Dividend is the amount paid by the company out of its profits, to its shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

4. PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

Financial/Internal Factors:

- 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 Dividend Distribution Reserve, etc.
- Past dividend trends - rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic

RICHESTM HEALTHCARE LIMITED.

(formerly known as Richesm Healthcare Private Limited)

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- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

External Factors:

- Economic environment, both domestic and global.
- Unfavourable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company has significantly higher working capital requirement affecting free cash flow.
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

6. POLICY AS TO HOW THE RETAINED EARNINGS WILL BE UTILIZED

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation/ Increase in production capacity
- Market expansion plan

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- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

7. CLASSES OF SHARES

Presently, the issued and paid-up share capital of the Company comprises of only one class of shares, viz. equity, for which this policy is applicable. The Policy is subject to review and amendments as and when the Company issues different classes of shares.

8. DECLARATION AND PAYMENT OF DIVIDEND

- Dividend, other than interim dividend, for a financial year shall be paid after the annual financial statements of the Company are finalized and the distributable profits is available.
- The declaration and payment of dividend shall be in accordance with the provisions of Sections 123 to 128 of the Act.

9. DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at <https://richesm.in/corporate-policies/>.

10. POLICY REVIEW AND AMENDMENTS

The Policy will be reviewed periodically by the Board. This policy has been adopted by the Board of Directors of the Company at its meeting held on 22nd June' 2024 being the effective date of this Policy.

11. DISCLAIMER

- a) This policy is voluntarily adopted by the Company as it is not mandatory on the Company pursuant to the provisions of Regulation 43A of Listing Regulations.
- b) 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 the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

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- c) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

12. LIMITATION AND AMENDMENT

In the event of any conflict between the Companies Act, 2013 or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

For Richesm Healthcare Limited

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Ashish Aggarwal
Managing Director **Managing Director**
DIN: 09049444

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