ASTER DM QUALITY CARE LIMITED

Dividend Distribution Policy

Adoption/Amendment by the Board of Directors	Effective Date
Adoption	November 20, 2017
Amendment	April 12, 2024

Table of contents

Sl. No	Particulars	Page. No
1	Definitions	3
2	Background	3-4
a	The circumstances under which the shareholders may or may not expect dividend	
b	The financial / internal parameters shall be considered while declaring dividend	
c	External factors that shall be considered for declaration of dividend	
d	Policy as to how the retained earnings shall be utilized	
e	Provisions in regard to various classes of shares	
3	Review	4
4	Limitation and Amendment	4

This policy applies to the distribution of dividend by ASTER DM QUALITY CARE LIMITED (the "Company") in accordance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).

1. Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the rules made thereunder, and the SEBI Regulations.

2. Background

SEBI has, through its notification dated July 8, 2016, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, incorporating Regulation 43 A – Dividend Distribution Policy requiring the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

a. *The circumstances under which the shareholders may or may not expect dividend;*

In distributing the profits of the Company among shareholders, the Board of Directors will seek to balance members' need for a reasonable and predictable return on their investment with Company's funding requirements for its operations and long term sustainable growth. 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, net profit generated, the advice of executive management, and other parameters described in this policy.

b. *The financial /internal parameters that shall be considered while declaring dividend;*

The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Net profit generated by the Company
- Dividend Income received from subsidiary companies
- Capital allocation plans including:
  - Expected cash requirements of the Company towards working capital, capital expenditure in inbusiness etc.;
  - Investments required towards execution of the Company's strategy;
  - Funds required for any mergers &acquisitions that the Board of Directors may approve; and

- Expenditure in research and development that Company may undertake;

- Any share buy-back plans;

- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Statutory obligations, covenants with lenders and requirements thereof;
- Any other significant developments or other business requirements that require cash investments.

c. ***External factors that shall be considered for declaration of dividend;***

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies inwhich the Company operates, or the business of the Company;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or healthcare sector environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.;
- Financing costs in the market and future outlook thereof.

d. ***Interim Dividend***

The Board may at its discretion declare interim dividend as and when it deems fit.

e. ***Dividend Income from Subsidiaries***

The Board aims to distribute to its equity shareholders the entire or a portion of dividend income (net of taxes) it receives from its subsidiaries, which will be at the discretion of the Board. To ensure maximum tax efficiency and benefits for the shareholders, Dividend income from subsidiaries if recommended and declared by the Board and shareholders will pass through, within 6 months from receipt of Dividend Income subsidiary subject necessary approvals.

f. ***Special Dividend***

The Board of Directors may additionally recommend a Special Dividend in special circumstances.

g. ***Policy as to how the retained earnings shall be utilized.***

The consolidated profits earned by the Company can either be retained in the business or used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

h. ***Provisions in regard to various classes of shares.***

The provisions contained in this policy shall apply to all classes of Shares of the Company subject to necessary regulations contained in the Articles of Association of the Company.

3. Review

This policy will be reviewed and amended as and when required by the Board.

4. Limitation and Amendment

In the event of any conflict between the Act 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.

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