

ENTERO HEALTHCARE SOLUTIONS LIMITED

DIVIDEND DISTRIBUTION POLICY

The policy is adopted by the Board of Directors in their meeting held on August 25, 2023

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Tel.: 022-26529100 / 69019100, CIN: U74999HR2018PLC072204

OBJECTIVE

The Board of Directors (“the Board”) of Entero Healthcare Solutions Limited (“the Company”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency, the Board of the Company, has adopted the Dividend Distribution Policy (“the Policy”) and procedures with respect to Dividends to be declared / recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time. Dividends if declared, would ordinarily be recommended after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as per the applicable provisions of the Companies Act, 2013 as amended from time to time (the “Act”) and the Rules framed thereunder as amended from time to time (the “Rules”). The Board may also declare interim dividends as may be permitted by the Act.

The objective of the Policy is to ensure a balance between the quantum / amount of dividend proposed and paid and amount of profits retained in the business of the Company for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of the Company for distribution of dividend from time to time. Through this Policy, the Company also endeavours to maintain fairness and consistency while considering distribution dividend to its shareholders.

Though the Policy only represents a general guidance to the decision of the Board for recommending dividend, however in exceptional circumstances, the Board reserves the right to recommend dividend in deviation to this Policy, if so deemed necessary in the best interests of the Company and its stakeholders.

DEFINITIONS

1. “Act” means Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

2. "Board" or "Board of Directors" means the Board of Directors of the Company.
3. "Company" means Entero Healthcare Solutions Limited.
4. "Dividend" includes any interim dividend and shall mean Dividend as defined under the Act.
5. "SEBI Listing Regulations" shall mean the "Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015", as amended from time to time.
6. "Policy" means this Dividend Distribution Policy.

DECLARATION OF DIVIDEND

The declaration of dividend (including interim dividend) would be subject to compliance with the applicable provisions of the Act and rules made thereunder along with SEBI Listing Regulations as amended from time to time.

FINANCIAL PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

While determining the nature and quantum of the dividend paid out the Board would consider the following factors.:

- **Financial Parameters including Internal Factors to be considered before recommending / declaring the dividend:**
 1. Profitable growth of the Company and specifically, profits earned during the financial year as compared with
 2. Previous years and
 3. Internal budgets,
 4. Earning stability and outlook
 5. Past dividend pattern;
 6. Cash flow position of the Company and the cost of borrowings
 7. Current year's earnings from which dividend is to be paid

8. Capital expenditure to be incurred by the Company
9. Post Dividend Earning Per Share (EPS)
10. Accumulated reserves
11. Statutory requirements like transfer to statutory reserve fund etc.
12. Liquidity position of the company including its working capital requirements and debt servicing obligations
13. Future cash requirements for organic growth/expansion and/or for inorganic growth,
14. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
15. Deployment of funds in short term marketable investments,
16. Long term investments,
17. Brand/Strategic acquisitions,
18. Investment in subsidiaries, joint ventures, associates and research and development,
19. The ratio of debt to equity (at net debt and gross debt level),
20. Covenants, provisions and restrictions of any agreement(s), memorandum of understanding(s) (MOUs) including borrowing agreement(s) and terms and conditions for issuance of Debentures and/or other debt instruments, if any,
21. Business Cycle and expected trend in the business of the Company,
22. Any other factor as may deemed fit by the Board from time to time or as may be required to be considered under applicable laws.

- **External Factors:**

1. Business cycles,
2. Economic environment,
3. Industry outlook for the future years,
4. Cost of external financing,
5. Inflation rate,
6. General Economic conditions, and;
7. Changes in the Government policies, Taxation policies, FDI Policies, industry
8. specific situations, rulings & regulatory provisions.

PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Presently, the issued share capital of the Company comprises of one class - equity share capital. In the event of the Company issuing any other types, kind or class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

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

The Board shall consider the aforementioned parameters and factors before determination of any dividend pay out and after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment, may not declare dividend or may recommend a lower payout for a given financial year.

UTILISATION OF RETAINED EARNINGS

The retained earnings of the Company may be used in any of the following ways:

- Working Capital,
- Capital Expenditure,
- Organic and/ or inorganic growth,
- Investment in new business(es) and/or additional investment in existing business(es),
- Declaration of dividend,
- Capitalization of shares,
- Buyback if shares,
- General Corporate purposes, including contingencies,
- Any other permitted usage as per the Act and other Applicable laws.

DISCLOSURES

The Policy will be available on the Company's website and the web link of the Policy along with other requisite details, if any will also be disclosed in the Company's annual report.

REVIEW

This Policy may be reviewed periodically by the Board. The Board, may, subject to the applicable laws and consequent amendments, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new policy.

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the SEBI Listing Regulations, the provisions of SEBI Listing Regulations shall prevail.

DISCLAIMER

This document only outlines the policy and factors the Board keeps in view and is not intended to be a commitment or guarantee of dividend payment by the Company either annually or otherwise.
