

DIVIDEND DISTRIBUTION POLICY



Version	Approved by	Approved On	Effective From
Version 1.0	Board of Directors	May 13, 2021	May 13, 2021
Version 2.0	Board of Directors	February 12, 2025	February 12, 2025

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

This Policy, framed pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force, is called the “Krsnaa Diagnostics Limited – Dividend Distribution Policy” (hereinafter referred to as “Policy”).

2. OBJECTIVE

The objective of this Policy is to lay down the parameters to be considered by the Board of Directors of the Company prior to recommending and approving dividend, in a manner which ensures regular return on investment to the shareholders in the form of dividend and also provides adequate capital for reinvesting in the business to generate wealth for all stakeholders in a sustainable manner.

3. PARAMETERS

The Board would, *inter alia*, consider the following Business & Financial parameters and external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

BUSINESS & FINANCIAL PARAMETERS (INTERNAL FACTORS):

- The current year profits arrived after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Profits from any of the previous financial year(s) arrived after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Projected operating free cash flow generation after taking into account fund requirements for working capital needs of the business;
- Funding requirements for capital expenditure, other business needs;
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- Optimal cash position requirement to fund exigencies, if any; and
- Past Dividend trends.

BUSINESS & FINANCIAL PARAMETERS (EXTERNAL FACTORS):

- Macro-economic conditions and general business environment;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- Other factors and/or material events which the Board of Directors may consider necessary to consider from time to time.

4. RETAINED EARNINGS

The Company would make best efforts to ensure a right balance between the quantum of dividend proposed to be paid and an amount of profits to be retained in the business for various purposes. In case the Board of Directors propose not to distribute any profit or recommend a lower pay out, the rationale thereof and information on utilisation of the retained earnings, if any, shall be disclosed to the shareholders in the Board's Report forming part of Annual Report of the Company.

5. PAYMENT OF DIVIDEND

The declaration of dividend shall be in accordance with the applicable provisions of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, Listing Regulations and such other applicable provisions of law.

The Board of Directors at their discretion would recommend a higher or lower dividend considering the business considerations and provide the rationale of such decision in the Board's report forming part of the Annual Report of the Company.

Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting. The Board of Directors may additionally recommend special dividend as and when it deems fit in excess of the aforementioned dividend payout ratio.

6. AMENDMENTS

The Company is dedicated to regularly assess and update its policies and procedures. Consequently, this policy may be amended from time to time subject to Board approval and in compliance with applicable laws and regulations. This policy and any further modifications/ amendments to the same shall be promptly disclosed on the Company's website and filed in accordance with the applicable laws and regulations.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the Effective Date as laid down under such amendment(s), clarification(s), circular(s) etc.

