

APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035

Regd. Office : No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028

General Office : Ali Towers, III Floor, No. 55 Greams Road, Chennai – 600 006

Tel. No. : +91-44-2829 0956, 2829 2109, website : www.apollohospitals.com

DIVIDEND DISTRIBUTION POLICY

DIVIDEND DISTRIBUTION POLICY

1. Background

This policy is being adopted and published in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

SEBI vide its notification dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribes that, the dividend distribution policy shall include the following parameters:

- a. the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b. the financial parameters that shall be considered while declaring dividend;
- c. internal and external factors that shall be considered for declaration of dividend;
- d. policy as to how the retained earnings shall be utilized; and
- e. parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

2. Objective

Apollo Hospitals Enterprise Limited (the “Company”) has always strived to enhance stakeholder value. The Company believes that returning cash to shareholders is an important component of overall value creation.

3. Parameters/Factors considered by the Company while declaring dividend

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

A) Financial Parameters / Internal Factors:

- (a) Financial performance including profits earned (standalone), available distributable reserves etc;
- (b) Cash Balance and Cash Flow
- (c) Current and future capital requirements such as:-
 - Business Expansion/Modernization
 - Mergers and Acquisitions
 - Additional Investment in JVs/Subsidiaries/ Associates
- (d) Fund requirement for contingencies and unforeseen events with financial implications;
- (f) Past Dividend trend including Interim dividend paid, if any; and
- (g) Any other factor as deemed fit by the Board.

B) External Factors:

- (a) Macroeconomic conditions:
- (b) Financing costs
- (c) Government Regulations
- (d) Taxation

After meeting internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavour to return the rest of the free cash generated to shareholders through regular dividends.

4. Circumstances under which the shareholders of the Company may or may not expect dividend

There may be certain circumstances under which the shareholders of the Company may not expect dividends, including the following:

- (a) Adverse market conditions and business uncertainty
- (b) Inadequacy of profits earned during the financial year
- (c) Inadequacy of cash balance
- (d) Substantial forthcoming capital requirements which are best funded through internal accruals
- (e) Changing government regulations etc.

Even under such circumstances, the Board may at its discretion, and subject to applicable rules, choose to recommend a dividend out of the Company's free reserves.

5. Utilization of Retained Earnings

Growth:- The Company will utilize its retained earnings for the growth of the Company. The Company can consider venturing into new markets/geographies/verticals.

Research and Development:- The Company will utilize its retained earnings for research and development of new products in order to increase market share

Capital Expenditure: - The Company will utilize its retained earnings for capital expenditure by way of physical and technology infrastructure etc.

Mergers and Acquisitions: - The Company will utilize its retained earnings for mergers and acquisitions, as it may deem necessary time to time.

6. Multiple classes of shares

Currently, the Company has only one class of shares. In the future, if the company issues multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

7. Policy Review

The Board of Directors may review this policy periodically, by taking into account the national and global economic conditions, company's growth and investment plans and financial position etc., and in accordance with any regulatory amendments.

8. Website

The Policy shall be posted on the website of the Company.