

Dividend Distribution Policy

1. Introduction

1.1. Background

Sagility Limited (“**Company**”), has framed this dividend distribution policy (“**Policy**”) in compliance with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (“**Listing Regulations**”).

1.2. Objective:

The objective of this policy is to lay down the criteria to be considered by the board of directors of the Company (“**Board**”) for recommending dividend to its shareholders and manner of utilization of retained earnings. The Board will have the flexibility to determine the level of dividend based on the considerations laid out in the policy and other relevant developments. The Company endeavors to judiciously balance rewarding shareholders through dividends, growth and long-term interests of the Company and its stakeholders.

1.3. Applicability:

This policy is applicable for distribution of dividend by the Company.

1.4. Review:

The Policy will be reviewed by the Board on a need basis.

2. Criteria and Approval

2.1. Statutory and regulatory compliance:

The Company shall declare dividend only after ensuring compliance with the provisions of the Companies Act 2013, as amended (“**Companies Act**”), Listing Regulations and guidelines provided in the articles of association of the Company and any other regulations/guidelines as maybe applicable to the Company from time to time (“**Applicable Law**”).

- The dividend policy of our Company was adopted and approved by our Board of Directors in their meeting held on June 24, 2024 (“**Dividend Policy**”). Our Company has been generating free cash flows and has ability to pay dividends.
- We will endeavour to distribute a significant portion of our free cash flow as dividend, but this will be dependent on a number of internal factors, including but not limited to our Company’s financial commitment with respect to growth, acquisition of new businesses, outstanding borrowings and provisioning for financial implications arising out of unforeseen events or contingencies.
- In addition, the dividend will also depend on a number of external factors such as state of domestic and global economy, competition or client related risks, market conditions, dividend policy of competitors and industry outlook for future years.
- Our Company may also, from time to time, pay interim dividends. Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration

The Board may recommend/ declare dividend out of the profits of the Company or out of the profits for any previous year or years or out of free reserves available for distribution of dividend, as per the regulatory provisions after consideration of the factors as stated above. The Company shall ensure compliance with the requirements in this respect as laid down under the provisions of Section 123 of the Companies Act and other applicable laws.

The decision to recommend dividend shall be taken only by the Board at its meeting and not by the committee of the Board or by way of resolution passed by circulation. The final dividend shall be paid only after approval at an annual general meeting. Shareholders' approval is not required for payment of interim dividend declared by the Board.

3. Circumstances under which shareholders may or may not expect dividend

The Board of the Company may not recommend any dividend if the eligibility criteria for recommendation of dividend have not been met by the Company, including any regulatory restriction placed on the Company or its subsidiaries on declaration of dividend or if the Board strongly believes the need to conserve capital for growth or other contingencies or unforeseen future events.

Further, the Board may recommend lower dividend or may not recommend any dividend in the event of inadequacy of profits or whenever the Company has incurred losses or has taken on debt obligations.

4. Utilization of retained earnings

Subject to applicable regulations, the Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy. The Board may also decide to employ the retained earnings in ensuring optimum level of solvency margin, meeting the Company's future growth plans, other strategic purposes and/or distribution to shareholders, subject to applicable regulations.

5. Provisions with regard to dividend

5.1. Payment of dividend:

Subject to the provisions of the Companies Act, Listing Regulations, articles of association of the Company and the terms & conditions of the issue of securities by the Company, the Company may pay dividend in proportion to the amount paid up on each share.

5.2. Transfer to the reserves:

The Company may, before declaration of any dividend in any financial year, transfer such percentage of its profit for that financial year as it may consider appropriate to the reserves of the Company in accordance with the relevant provisions of the Companies Act.

5.3. Declaration of dividend in case of inadequacy or absence of profits in any financial year:

Subject to the relevant provisions of the Companies Act, in the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the fulfilment of the following conditions, namely:

- a. The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year. This condition shall be applicable only if the Company has declared dividend in at least one preceding financial year from the immediately preceding three financial years mentioned above.
- b. The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves, net of common control adjustment deficit account, as appearing in the latest audited financial statement.
- c. The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

- d. The balance of reserves after such withdrawal shall not fall below fifteen percent of its paid up share capital as appearing in the latest audited financial statement.

5.4. Dividend to equity shareholders of the Company:

Presently, the Company has only one class of equity shares and accordingly, the dividend will be distributed equally among all the equity shareholders, based on their shareholding on the record date. Parameters for dividend payments in respect of (if any) other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

5.5. Interim dividend:

The Board may declare interim dividend at its absolute discretion in line with this Policy and during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend. Provided that in case the Company has incurred loss during the current financial year upto the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividend declared by the Company during the immediately preceding three financial years. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

5.6. Payment of final dividend:

Subject to approval of shareholders in annual general meeting, the Board of the Company may recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy, based on the aforesaid parameters/factors arrived at as per the audited financial statements.

5.7. Form and mode of dividend:

The dividend shall be paid only through use of any electronic mode of payment facility approved by the Reserve Bank of India from time to time.

5.8. Prior intimation of dividend:

The Company shall give prior intimation (at least two working days in advance, excluding the date of the intimation and date of meeting) to stock exchange(s) about the meeting of the Board in which the declaration/recommendation of dividend will be considered.

5.9. Record date or date of closure of transfer books:

The Company shall intimate/announce (at least three working days in advance, excluding the date of the intimation and the record date/dates of closure of its transfer books) the record date/dates of closure of its transfer books to the stock exchange(s) for the purpose of declaration of dividend.

6. Reporting

This Policy shall be hosted on the website of the Company at www.sagilityhealth.com and shall be disclosed in the annual report. Any other reporting/ disclosure in accordance with applicable regulations are to be ensured.

7. Record keeping

All documents/ records shall be preserved for a period as specified in the applicable regulations.

8. Conflict in Policy

In the event of any conflict between the provisions of this Policy and of the Companies Act or Listing Regulations or any other statutory enactments or rules, the provisions of such statutory enactments or rules shall prevail over this Policy. In the event of subsequent amendment/ modification to such applicable statutory enactments, this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular etc.

9. Amendment

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 in this Policy and this Policy shall stand amended accordingly. In case the Board proposes to declare the dividend on the basis of criteria(s) in addition to those specified in this Policy, or proposes to modify the parameters, it shall disclose such changes along with the rationale for the same on the Company's website and in the annual report.