

## DIVIDEND DISTRIBUTION POLICY

### **1. PREAMBLE:**

This Dividend Distribution Policy is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the 'Listing Regulations'). The Board of Directors of Remus Pharmaceuticals Limited (the "Company"), herein after referred as "the Board", has approved the Dividend Distribution Policy of the Company ("the Policy") and shall disclose the same on a voluntary basis in the annual reports and on the website of the Company. This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes.

### **2. OBJECTIVE AND SCOPE:**

The Board of the Company recognizes the need to lay down a broad framework for considering decisions by the Board. The objective of this policy is to regulate the process of dividend declaration and its payout by the Company while ensuring to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the equity shareholders.

While recommendation of Dividend shall be guided by this Policy, in extraordinary circumstances, the Board shall have complete liberty to recommend dividend in deviation to this policy, if so deemed necessary in the best interests of the Company and its stakeholders.

### **3. POLICY FRAMEWORK:**

The Policy has been formulated in line with the provisions of the Companies Act, 2013 and Rules thereunder, Regulations issued by SEBI, to the extent applicable on the Company. Any subsequent amendments in these provisions would, ipso-facto, apply to this Policy. The Policy is not an alternative to the decision taken by the Board regarding declaration/recommendation of dividend after considering the various relevant factors.

### **4. DIVIDEND AND TYPES OF DIVIDEND:**

#### **Dividend**

Dividend is the amount paid by the Company out of profits, to its Shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

The dividend will be declared on per share basis only.

#### **Interim Dividend**

- a. The Board of Directors of the Company shall declare the interim dividend during the financial year, as and when they consider it fit to so declare.

- b. The interim dividend can be declared by the Board of Directors one or more times in a financial year and normally, the Board may consider the declaration of interim dividend after the finalization of the quarterly/half yearly financial statements of the Company.
- c. The interim dividend, if declared, shall be paid to the eligible shareholders, as per provisions of the Companies Act, 2013, SEBI Regulations and other laws, to the extent applicable. First interim dividend, if any, may be declared in the Board Meeting convened for approving financial statements for the half –year.
- d. In case no final dividend is declared by the Company, interim dividend paid during the financial year, if any, shall be considered as final dividend at the Annual General Meeting of the Company.

### Final Dividend

- a. The final dividend, if any, is paid once in a financial year after the preparation of the annual financial statements.
- b. The Board of Directors shall recommend the final dividend to the Shareholders for their approval in the Annual General Meeting of the Company. The declaration of final dividend, if any, shall be included in the ordinary business items to be transacted at the Annual General Meeting of the Company.
- c. The final dividend shall be paid to the eligible shareholders subject as per provisions of the Companies Act, 2013, SEBI Regulations and other laws, to the extent applicable.

### 5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The decision regarding dividend payout is a vital decision, as it determines the amount of the profit to be distributed among its shareholders and the amount of the profit to be retained in business for the future growth and expansion plan of the Company. Dividend for the financial year shall be decided/recommended by the Board, considering, statutory, economic, market, industry, external and internal factors.

The Company may not declare dividend or declare dividend at a lower rate for the reasons stated herein, but are not limited to, the following reasons:

- a. Due to operation of any other law in force.
- b. Due to inadequate profit or in case of loss incurred by the Company and Board considered it appropriate not to consider the dividend in that year.
- c. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders;
- d. Where the Company is having requirement of funds for Capex requiring high capital allocation, working capital, repayment of loans taken in the past;
- e. Inadequate availability of cash;
- f. The availability of opportunities for reinvestments of surplus funds;
- g. Higher cost of raising funds from alternate sources;
- h. Wherever it proposes to utilize surplus cash for buy-back of securities.
- i. Any other corporate action resulting in cash outflow.

## 6. PARAMETERS FOR DIVIDEND DISTRIBUTION:

The Company has only one class of shares i.e. Equity shares and, hence, the parameters disclosed here under apply to the same.

The Board while considering payment of dividend for a financial year may, inter alia, consider the following factors:-

- a. Profit for the financial year as well as general reserves of the Company.
- b. Projections of future profits and cashflows;
- c. Borrowing levels and the capacity to borrow including repayment commitments;
- d. Present and future Capital expenditure plans of the Company including organic/inorganic growth avenues;
- e. Applicable taxes including tax on dividend;
- f. Compliance with the provisions of the Companies Act or any other statutory guidelines including guidelines issued by Government of India;
- g. Past dividend trend for the Company and the industry;
- h. State of economy and capital markets; and
- i. Any other factor as may be deemed fit by the Board.

The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one-off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.

## 7. OTHER IMPORTANT INTERNAL AND EXTERNAL FACTORS TO BE CONSIDERED BY THE BOARD:

- **Internal Factors:**

- i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
  - a. Previous years and
  - b. Internal budgets,
- ii. Cash flow position of the Company;
- iii. Accumulated reserves ;
- iv. Earnings stability;
- v. Future cash requirements for organic growth/expansion and/or for inorganic growth;
- vi. Brand acquisitions;
- vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities;
- viii. Deployment of funds in short term marketable investments;
- ix. Long term investments;
- x. Capital expenditure(s);and
- xi. The ratio of debt to equity (at net debt and gross debt level).

- **External Factors:**

- i. Business cycles;

- ii. Economic environment;
- iii. Cost of external financing;
- iv. Applicable taxes including tax on dividend;
- v. Industry outlook for the future years;
- vi. Inflation rate; and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

#### **8. GENERAL:**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board of Director of the Company has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. Such amended Policy shall be placed before the Board for noting and necessary ratification at its subsequent meeting.

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.

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