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affordable healthcare

SHILPA MEDICARE LIMITED

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

The Objective of this policy is to set out parameters for distribution of dividend and other related matters as defined in Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. Vide these regulations, SEBI has inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements), 2015, (including any statutory modification(s) or reenactment(s) thereof) and any other laws and regulations as may be applicable to the Company.

This policy is framed in accordance with the requirements of Regulation 43A of the Regulations and other applicable provisions of the Companies Act, 2013 ("the Act") and is adopted by the Board of directors ("the Board") of Shilpa Medicare Limited("the Company") for the distribution of dividend by the Company.

DEFINITIONS

- i. "Act" shall mean the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- ii. "Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- iii. "Board" shall mean Board of Directors of the Company.
- iv. "Listed Entity/Company" shall mean Shilpa Medicare Limited.
- v. "Dividend" shall mean Dividend as defined under the Companies Act, 2013.
- vi. "Policy" shall mean Dividend Distribution Policy.

2. PARAMETERS

A. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS CAN OR CANNOT EXPECT DIVIDEND:

The shareholders of the Company may not expect Dividend in the following circumstances, subject to the discretion of the Board of Directors:

- i. Whenever the Company undertakes or proposes to undertake, significant expansion plan(s) requiring higher allocation of capital;
- ii. Requirement of higher working capital for the purpose of business of the Company;
- iii. To undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc., requiring significant allocation of capital;

- iv. Proposal for buy-back of securities;
- v. In the event of inadequacy of profits or whenever the Company has incurred losses

B. FINANCIAL PARAMETERS:

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

- i. Working capital requirement(s);
- ii. Capital expenditure requirement(s);
- iii. Business expansion and growth;
- iv. Additional investment in subsidiaries and associates of the Company;
- v. Consolidated net operating profit after tax
- vi. Operating cash flow of the Company;
- vii. Outstanding borrowings;
- viii. Cost of Borrowing;
- ix. Profit available for distribution;
- x. Past dividend payout ratio.

C. INTERNAL AND EXTERNAL FACTORS

The Board of Directors of the Company would consider the internal factors stated above and the following external factors before declaring or recommending dividend to shareholders:

External Factors:

- Applicable laws and regulations;
- Global conditions;
- Macro-Economic environment;
- Social/Geo-political factors/risks;
- Prevalent market practices

D. UTILIZATION OF RETAINED EARNINGS

The Company would utilize the retained earnings, in a manner which is beneficial and in the interest of the Company and its stakeholders, but not limited to the parameters mentioned above or for such other purposes the Board may deem fit from time to time in the interest of the Company and its stakeholders.

E. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES

Currently, the Company does not have any other class of shares, other than equity shares. In the absence of any other class of shares, the entire distributable profit(s) for the purpose of declaration of dividend is considered for the equity shareholders only.

3. CONFLICT IN POLICY

In the event of a conflict between the policy and the regulations, the regulations shall prevail.

4. REVIEW OF POLICY

The board of directors of the Company will review the policy, as and when it is necessitated. If the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy or proposes to modify the criteria, it shall disclose shall changes along with rationale for the same on the Company's website and in the Annual Report.

5. DISCLOSURE OF POLICY

The policy will be available on the Company's website and will also be disclosed in the Annual Report.