



## **ANUH PHARMA LTD.**

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# **DIVIDEND DISTRIBUTION** **POLICY**



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## ANUH PHARMA LIMITED DIVIDEND DISTRIBUTION POLICY

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

### 1. **OBJECTIVE**

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

The Policy is framed to reward the shareholders by sharing a portion of the profits of the Company taking into consideration capital required to be retained for Company's growth.

The Company has had a consistent dividend policy and has endeavored to judiciously balance rewarding shareholders through dividends, whilst supporting future growth and long term interests of the Company and its shareholders.

The policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

### 2. **STATUTORY REQUIREMENTS**

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such other applicable provisions of law and the Articles of Association of the Company as amended.

### 3. **DEFINITIONS**

3.1. "Act" shall mean the Companies Act, 2013 including the Rules made thereunder,



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as amended from time to time.

- 3.2. “Applicable Laws”** shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- 3.3. “Company”** shall mean **Anuh Pharma Limited**.
- 3.4. “Chairman”** shall mean the Chairman of the Board of Directors of the Company.
- 3.5. “Compliance Officer”** shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.6. “Board” or “Board of Directors”** shall mean Board of Directors of the Company.
- 3.7. “Dividend”** shall mean Dividend as defined under the Companies Act, 2013 and includes Interim Dividend.
- 3.8. “Policy or this Policy”** shall mean the Dividend Distribution Policy.
- 3.9. “SEBI Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

## **4. PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND**

### **4.1. GENERAL GUIDELINES FOR DIVIDEND DISTRIBUTION**

- The Company shall pay dividend (including interim dividend) in compliance with the applicable provisions of the Companies Act, 2013, rules prescribed thereunder, and any amendments made thereto.
- The Board may not recommend dividend if, in its opinion, it is financially not prudent to do so.



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- If the Company proposes to declare dividend on the basis of parameters in addition to those covered in this policy or proposes to make any changes to any parameters of the dividend distribution policy, it shall disclose such changes along with the rationale for the same in its **Annual Report and on its Website.**

## 4.2. FINANCIAL / INTERNAL FACTORS

Before declaring or recommending dividend to shareholders, the Board of Directors would consider following financial internal/external factors:

- Accumulated Profit;
- Working Capital Requirements;
- Capital Expenditure Requirements;
- Capital Investment Requirements;
- Cash Flow & Liquidity;
- Earnings Per Share (EPS);
- Business Expansion and Growth;
- Upgradation of Technology and Infrastructure;
- Debt Servicing and Leverage Ratios;
- Outstanding Borrowings and Repayment Schedules;
- Past Dividend Payout ratio / Trends;
- Any other factor deemed fit by the Board.

## 4.3. EXTERNAL FACTORS

- Economic environment, both domestic and global;
- Changes in Government policies and regulatory provisions;
- Macro-Economic Factors;
- Global Conditions;
- Economic and Industry Outlook;
- Capital Markets;
- Growth Outlook;
- Inflation rates;
- Statutory Provisions and Guidelines;
- Sense of shareholder's expectations;
- Cost of external financing;
- Any other factor.



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The Board may additionally recommend special dividend in special circumstances.

#### **4.4. MANNER OF UTILIZATION OF RETAINED EARNINGS**

Retained earnings may be utilized for capital expenditure, acquisitions, expansion or diversification, long term working capital, general corporate purposes or it can be distributed to the shareholders by way of dividend, bonus shares, buy-back of shares or for such other purpose as the Board may deem fit from time to time.

#### **5. QUANTUM AND MANNER OF DIVIDEND PAYOUT**

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain minimum dividend of 20% of the Annual Profits after tax (excluding profit earned from sale of assets / business) of the Company.

Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the Financial Statements only.

##### **a) In case of Final Dividend:**

- i. Recommendation, if any, shall be done by the Board of Directors, usually in the Board Meeting that considers and approves the annual financial statements, subject to the approval of the shareholders of the Company.
- ii. The Dividend as recommended by the Board shall be approved/declared at the subsequent Annual General Meeting of the Company.
- iii. The payment of Dividend shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

##### **b) In case of Interim Dividend:**

- i. Interim Dividend, if any, shall be declared by the Board.



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- ii. Before declaring Interim Dividend, the Board shall consider the financial position of the Company that allows the payment of such Dividend.
- iii. The payment of Dividend shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

### 6. **DISCLOSURE**

This Policy is framed as per the recommendations of the Board and it is for the internal records of the Company.

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at [www.anuhpharma.com](http://www.anuhpharma.com).

### 7. **POLICY REVIEW AND AMENDMENTS**

The Policy will be reviewed periodically by the Board. The Board is authorized to make such alterations to this Policy as and when considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the relevant Acts and Regulations

### 8. **GENERAL**

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, the Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 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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### 9. DISCLAIMER

- The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy.
- The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
- Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.