

POLICY FOR DIVIDEND DISTRIBUTION

TITLE:

This Policy shall be called 'Policy for Dividend Distribution'.

COMMENCEMENT:

This Policy shall come into effect from 23rd March 2020.

OBJECTIVE:

- (a) This Policy is framed in accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) and provisions of Companies Act, 2013 and is intended to ensure distribution of dividends as per this policy.
- (b) The Company is required to disclose the policy on its website and in the Annual Report.

DEFINITIONS:

- (a) "Board" means the Board of Directors of Suven Pharmaceuticals Limited.
- (b) "SPL" or "Company" means Suven Pharmaceuticals Limited.
- (c) "Policy" means this Policy, as amended from time to time.

POLICY:

The company may pay dividends only out of its profits in the year in which the dividend is declared or out of the undistributed profits or free reserves of prior fiscal years or out of both upon recommendation by its board of directors and approval by the requisite majority of its shareholders at the annual general meeting in accordance with the applicable provisions of Companies Act, SEBI Regulations and standards. Shareholders may decrease, but shall not increase the amount of dividend recommended by the Board. In addition, as is permitted by the Articles of Association of our Company the Board may declare and pay interim/special dividends at its discretion during the fiscal year and may recommend the interim/special dividends paid as final dividends.

(a) The circumstances under which the shareholders of the company may or may not expect dividend

SPL is a Pharmaceutical Solutions company with a thrust on CDMO and endeavors to reward shareholders consistently by way of dividends unless constrained to declare dividend due to any exigency beyond its control.

The form, frequency and amount of future dividends will depend on performance of Company's revenues and cash flows reported in a year cannot represent a base for the next year. Hence amounts paid as dividends in the past are not reflective of any future dividends and the Company may propose lower dividend after analysis of various financial parameters.

(b) The financial parameters that shall be considered while declaring dividend

The Company considers finance costs, net profits available for distribution, total dividend outgo including dividend distribution tax, dividend payout ratio and EPS while declaring dividend for the year under consideration.

(c) Internal and external factors that shall be considered for declaration of dividend

Dividend payments are subject to recommendations of the Board based on the growth prospects and profitability of the Company which are dependent on the internal and external factors listed below:

| Internal | External |
|---|--|
| <ul style="list-style-type: none">➤ Past dividend track record➤ Cash balance position➤ Funding needs for capital expenditure. | <ul style="list-style-type: none">➤ Challenging business environment.➤ R&D budgets of global innovator companies.➤ Changes in government policies➤ Implications of fiscal laws on dividend distribution➤ Shareholders aspirations for the dividends➤ Our lending arrangements governing our indebtedness with the lenders contain certain restrictive covenant that restricts declaration of dividends without the consent of the lenders |

(d) How the retained earnings shall be utilized

The company may plough back its profits available for distribution looking to its working capital needs, capital expenditure plans towards R&D, expansion, modernization and upgrading of plant facilities and/or to pay debt.

(e) Parameters that shall be adopted with regard to various classes of shares

The Company has at present only one class of shares i.e., fully paid up Equity Shares with voting rights ranking pari passu in all respects. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in conformity with the applicable laws/ standards in force.

INTERPRETATION:

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations or any other relevant legislation / law /standards applicable to the Company.