



Marksans Pharma Ltd.

12th February, 2018

To,
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E), Mumbai – 400051
Scrip Code: MARKSANS

To,
BSE Limited
P. J. Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 524404

Sub: Dividend Distribution Policy

Dear Sir,

Enclosed herewith kindly find Dividend Distribution Policy of the Company approved and adopted by the Board of Directors of the Company at its meeting held today i.e. Monday, 12th February, 2018.

The said policy is also uploaded on the Company's website www.marksanspharma.com.

This is for your information and record.

Thanking you.

Yours faithfully,
For Marksans Pharma Limited

Harshavardhan Panigrahi
Company Secretary & Manager – Legal



Marksans Pharma Ltd.

DIVIDEND DISTRIBUTION POLICY

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

1. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors of Marksans Pharma Limited hereby lays down a dividend distribution policy for considering the decisions by the Board of the Company, with regard to distribution of dividend to its shareholders.
2. The Company shall pay dividend (including interim dividend) in compliance with the provisions of Section 123 of Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014, Listing Regulations and all other applicable laws, rules and regulations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

In case of sufficient reasonable profits, the Board may endeavor to declare dividend as per the parameters set out in this Policy. However, in case of inadequacy of profits in any year, the Board may decide to conserve profits of the Company and may declare a lesser dividend or the Board shall not recommend dividend if it is of opinion that it is financially not prudent to do so.

The Company shall pay dividend to its shareholders after taking into consideration, the various factors as under:

3. **Financial Parameters / Internal Factors:**

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

- a. Consolidated net operating profit after tax;
- b. Working capital requirements;
- c. Capital expenditure requirements;
- d. Resources required to fund acquisition, expansion, new businesses, etc.;
- e. Cash flow requirements;
- f. Outstanding borrowings;
- g. Investments in new business;
- h. Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- i. Past dividend trends.

4. **External Factors:**

The Board of Directors of the Company will consider the following external factors before declaring or recommending dividend to the shareholders:

- a. Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;



Marksans Pharma Ltd.

- b. Dividend payout ratios of companies in the same industry;
 - c. Economic environment and industry outlook for future years.
5. **Circumstances under which the shareholders may or may not expect dividend:**
The Shareholders of the Company may not expect dividend under the following circumstances:
- a. Whenever it undertakes or proposes to undertake any acquisition, joint venture, expansion, new business or other growth opportunities or threats/concerns of the Company;
 - b. Higher working capital requirements for business operations of the Company;
 - c. Whenever it proposes to utilize surplus cash for buy-back of securities and/or redemption of preference and/or other redeemable securities;
 - d. In the event of inadequacy of profits or whenever the Company has incurred losses.
6. **Utilization of retained earnings:**
The Company may declare or recommend dividend out of the profits of the Company for the year or out of the profits for the any previous year or years or out of the free reserves available for distribution of dividend, after considering the parameters laid down in this Policy.
7. **Parameters adopted with regard to various classes of shares:**
- a. At present, the issued and paid-up share capital of the Company comprises of equity shares and preference shares.
 - b. The Company shall first declare dividend on outstanding preference shares at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend will be declared on equity shares.
 - c. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.
8. The Board of Directors of the Company is authorized to change/amend this Policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013 and Rules framed thereunder, SEBI Regulations, etc.
9. In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 and Rules framed there under / SEBI Regulations or any other statutory enactments, rules, the provisions of the Companies Act, 2013 and Rules framed there under / SEBI Regulations or any other statutory enactments, rules, as may be applicable, shall prevail.
10. This Policy document does not solicit investments in the Company's securities nor is it an assurance of guaranteed returns, in any form, for investments in the Company's securities.
