



DIVIDEND DISTRIBUTION POLICY

I. Background

SEBI vide Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by inserting Regulation 43A, requiring the top 500 listed entities based on the market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy. Further to strengthen Corporate Governance practices and disclosure requirements, SEBI has also notified new regulation which mandate, that top 1000 listed entities will have to formulate a Dividend Distribution Policy which shall be disclosed in their Annual Reports and on their website.

The regulation further prescribes that, the dividend distribution policy shall include the following parameters:

- a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b) the financial parameters that shall be considered while declaring dividend;
- c) internal and external factors that shall be considered for declaration of dividend;
- d) policy as to how the retained earnings shall be utilized; and
- e) parameters that shall be adopted with regard to various classes of shares

The Company, being one of the top 1000 listed Companies, has formulated this Dividend Distribution Policy.

II. Definition

Unless the context otherwise requires:

- (a) 'Act' means the Companies Act, 2013 and includes the rules framed thereunder;
- (b) 'Board' means the Board of Directors of the Company and includes any Committee thereof constituted or to be constituted.
- (c) 'Company' means Themis Medicare Limited.
- (d) 'Dividend' shall have the meaning ascribed to it under the Act and includes an Interim Dividend but excludes Special Dividend.
- (e) 'Listing Regulations' or 'SEBI LODR' means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactments thereto.
- (f) 'Free Reserves' shall have the meaning ascribed to it under the Act.
- (g) 'Policy' means Themis Medicare Limited - Dividend Distribution Policy.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the Listing Regulations shall have the same meaning assigned therein.

Words in singular number include the plural and vice-versa.

III. **Effective Date:**

The policy shall come into force from the date of approval of the Board of Directors i.e. **11th February, 2022**, including any amendments made thereto.

IV. **Parameters**

Dividend payout is contingent upon various factors and their combination thereof, which are enumerated below and the Board of Directors shall before deciding the dividend consider these factors in the best interest of the Company and its shareholders

1. **Circumstances under which the shareholder may not expect dividend**

The shareholders may not expect dividend, *inter-alia*, in the following circumstances, subject to discretion of the Board:

- a. In event of loss or inadequacy of profit or Cash flow
- b. Higher capital investments on account of expansion of business, etc. by the Company
- c. Decision to undertake any acquisition, amalgamation, merger, takeover, etc. requiring significant capital outflow.
- d. Other business condition(s) in the opinion of the Board it would be prudent to plough back the profits of the Company.
- e. De-growth in the overall business.
- f. The Company has been prohibited to declare dividends by any regulatory authority.
- g. Any other extra-ordinary circumstances.

2. **Financial Parameters**

While determining the quantum of dividend the Board of Director shall, *inter-alia*, consider the following financial parameters:-

- (i) Profit After Tax considering write-off of accumulated losses, exceptional and extraordinary items, if any
- (ii) Accumulated reserves
- (iii) Cash flow and treasury position keeping in view the total debt to equity ratio
- (iv) Earnings Per Share
- (v) Dividend Payout during the previous years
- (vi) Capital Expenditure
- (vii) Contingent Liabilities

3. **Factors to be considered while declaring dividend**

The quantum of dividend is an outcome of due deliberation by the Board considering various Internal and External factors including, but not limited to:-

(i) **Internal Factors**

- (a) Business Forecast (near to medium term)
- (b) Earning stability
- (c) Availability of liquidity
- (d) Accumulated Reserves
- (e) Working capital requirements of the Company

- (f) Capital Expenditure requirements of the Company
- (g) Investments in new line(s) of business
- (h) Expenditure on Research & Development of new products
- (i) Investment in technology
- (j) Acquisition of brands/businesses
- (k) Replacement cost of end-of-lifecycle products

(ii) **External Factors**

- (a) Statutory provisions, legal requirements, regulatory conditions or restrictions laid down under applicable laws.
- (b) Prevailing macro-economic environment
- (c) Re-investment opportunities.
- (d) Investor Expectations.
- (e) Prevailing taxation structure including any amendments expected thereof.

Dividend will generally be declared once a year, after the approval of the Audited Financial Statements and shall be subject to approval/confirmation of shareholders at the Annual General Meeting (AGM). In certain years and to commemorate special occasions, the Board may consider declaring special/interim dividend for its shareholders subject to availability of necessary profits and the aforesaid factors.

Considering the above factors, the Company would endeavour to declare a dividend (including any special dividend or a payout in the form of a one-time/special dividend) as may be decided by the Board of Directors from time to time.

V. **Utilization of Retained Earnings**

Subject to the applicable regulations, retained earnings may be applied for:

- (i) Funding the organic and inorganic growth of the Company
- (ii) Diversification of business
- (iii) Capacity Expansion
- (iv) Replacement of Capital Assets
- (v) Declaration of Dividend in future years
- (vi) Issue of Bonus Shares
- (vii) Buy-back of Shares/Capital Reduction
- (viii) Other permissible purposes

VI. **Parameters that shall be adopted with regard to various classes of shares**

The Company has only one class of shares viz., Equity Shares of Face Value of **Rs.1/- each***.

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of Dividend per share.

VII. **Disclosure:**

In terms of the requirements of the Listing Regulations, this policy has been uploaded on the website of the Company viz., <https://www.themismedicare.com> and will also form a part of the Annual Report of the Company.

(* In the Annual General Meeting held on 9th September, 2023, the shareholders of the Company have approved the resolution for Sub-division of equity shares of the Company from the Face Value of Rs. 10/- to Face Value of Rs. 1/- per share.)

In case the Company declares dividend on the basis of parameter in addition to the parameters stated in this Policy, such parameters will be disclosed on the website as well as Annual Report of the Company.

VIII. General

This Policy is subject to revision/amendments in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, SEBI or other regulatory authority from time to time, on the subject matter. Accordingly, the Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy.

Notwithstanding anything contained herein but subject to the applicable laws, the Board may, at their discretion revise, amend or modify the policy, which they in their absolute discretion may deem fit.

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 of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

IX. Cautionary Statement

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy to pay, subject to the circumstances and factors enlisted herein above, which shall be consistent with the performance of the Company over the years.

This document does not solicit investment in the Company's shares nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.

The Policy is not an alternative to the decision of the Board regarding recommending dividend or not, which is made generally every year after taking into consideration all the relevant circumstances contained in this Policy as may be decided by the Board.

(Last modified on – 10/02/2024)