

NECTAR LIFESCIENCES LIMITED

CIN: L24232PB1995PLC016664

DIVIDEND DISTRIBUTION POLICY

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The Securities and Exchange Board of India has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2015 ('LODR Regulations') under which Nectar Lifesciences Limited ("the Company"), being covered under top 1000 companies, is required to formulate a dividend distribution policy.

The Board of Directors (the "Board") of the Company has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the LODR Regulations.

OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend and/or retaining profits earned by the Company. The Company has had an uninterrupted dividend payout since listing. In future, in case there is any surplus profit, the Company would endeavour to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and LODR Regulations. The Board, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy. The Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Expected future capital / liquidity requirements
- Any other relevant factors and material events

The Board of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

UTILISATION OF RETAINED EARNINGS

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company currently has only one class of shares i.e. equity shares. As and when it proposes to issue any other class of shares, the policy shall be modified accordingly.

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the any extant law, the law shall prevail.

AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.