

REPRO INDIA LIMITED  
DIVIDEND DISTRIBUTION POLICY

REPRO INDIA LIMITED

## **PREAMBLE**

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015. Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires top one thousand listed companies (by market capitalisation as on March 31 of every FY) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

## **INTRODUCTION**

The Board of Directors (the “Board”) of Repro India Limited (“RIL” or the “Company”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“Policy”) and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time.

## **OBJECTIVE**

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company, while deciding on the declaration/recommendation of Dividend from time to time, to strike a balance between the dual objectives of rewarding shareholders and ploughing back earnings to support sustained growth of the Company.

## **DEFINITIONS**

In this policy, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly.

**“Board” or “Board of Directors”** shall mean Board of Directors of the Company.

**“Companies Act or Act”** shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

**“Company”** shall mean Repro India Limited

**“Dividend”** shall mean Dividend as defined under the Companies Act, 2013

**“Policy”** means this Dividend Distribution Policy.

**“SEBI”** means the Securities and Exchange Board of India.

**“SEBI LODR”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Words and phrases used in this Policy and not defined herein shall derive their meaning from the Applicable Law.

**“SEBI Regulations”** means the regulations made by SEBI in accordance with the Securities and Exchange Board of India Act, 1992 (the SEBI Act).

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

#### **EFFECTIVE DATE**

This policy is applicable from the date of its approval by the Board of Directors of the Company.

#### **AUTHORITY**

This Policy has been adopted by the Board of Directors of the Company at its meeting held on August 10, 2021. The Policy shall also be displayed in the Annual Report and

also on the website of the Company.

## **APPROVAL PROCESS AND CRITERIA TO BE CONSIDERED FOR DIVIDEND PAYOUT**

In distributing profits of the Company among its shareholders, the Board of Directors will attempt to balance shareholders need for a reasonable and predictable return on their investment with the Company's requirement to retain enough capital, for longer term sustainable growth.

The Company shall comply with relevant statutory provisions under the Companies Act, 2013 and Companies (Declaration and Payment of Dividend), Rules, 2014., before taking any appropriate decision on declaration / recommendation of dividend and transfer such part of profits for the financial year, as it may deem fit, to its reserves.

The Board of Directors of the Company would further take into account following aspects, including financial parameters, while deciding on the proposal for dividend:

1. Shareholder expectations
2. Financial performance including profit for the year, profitability and other key financial metrics, including outlook over the short to medium term;
3. Current and future capital / liquidity requirements, as well as extent of borrowings;
4. Accumulated reserves
5. Investments for business expansion plans and growth of the Company including
  - a. Inorganic growth opportunities, through acquisition / mergers / demergers;
  - b. Organically expanding or upgrading of existing businesses; and
  - c. Investments in new businesses;
6. Stability of the dividend pay-out ratio;
7. Interim dividend paid, if any;
8. Auditors' qualifications pertaining to the statement of accounts, if any;
9. Likelihood of crystallisation of any contingent liabilities, if any;
10. Dividend / coupon payments for non-equity capital instruments if any, which need to be made;
11. Applicable regulatory requirements; and
12. Other factors and / or material events which may require consideration.

The decision regarding dividend shall be taken by the Board at its meeting or by any Committee of the Board or by way of a Resolution passed by circulation. Final dividend, if any, shall be paid only after its approval, by the shareholders, at an Annual General Meeting (AGM) of the Company. Shareholders' approval is not required, for payment of interim dividend.

However, the Board may amend the pay-out, whenever considered appropriate by it, keeping in mind the aforesaid factors, having a bearing on the dividend pay-out decision.

### **FACTORS AFFECTING DIVIDEND DECLARATION**

The decision for declaration/recommendation of dividend(s) would also be subject to consideration of other relevant external and internal factors, including, for example:

1. External factors to be considered while recommending/ declaring dividend
  - Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients;
  - Any political, tax and regulatory changes in the geographies in which the Company operates;
  - Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
  - Any changes in the competitive environment requiring significant investment.
  - domestic and global economic situation, Government policies, capital markets and tax implications including applicability and rate of dividend distribution tax;
2. Internal factors to be considered while recommending/ declaring dividend

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- Expected cash requirements of the Company including working capital, capital expenditure

- Quarterly and Annual results
- Investments including Mergers and Acquisitions (M&A)
- Free cash flow generation
- Buy-back of shares
- Funds required to service any outstanding loans;
- shareholder expectations, including institutional and individual shareholders

## **UTILISATION OF RETAINED EARNINGS**

The Company would utilise the retained earnings for:

1. General corporate purposes, including organic and inorganic growth;
2. Investments in subsidiary and/or appropriations / drawdowns as per the regulatory framework;
3. Product development and technological enhancements in order to grow the business;
4. Capital expenditure by way of creating additional capacity / infrastructure;
5. Any other business requirement;
6. Any other permitted usage as per the Companies Act, 2013.

The Board may decide to employ retained earnings in meeting the Company's future growth plans, other strategic purposes and/or distribution to shareholders, subject to applicable laws.

## **PARAMETERS FOR VARIOUS CLASS OF SHARES**

Currently, the Company has only one class of shares viz. equity. In the absence of any other class of equity shares and/or equity shares with differential voting rights, the entire distributable profit for the purpose of declaration/recommendation of dividend will considered for the existing class of equity shares only.

## **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

Due to some unconceivable circumstances, the Company may not distribute a dividend

or may distribute a reduced quantum of dividend. Such circumstances which may include but are not restricted to, adverse market conditions and business uncertainty, absence or inadequacy of profits earned during the financial year, inadequacy of cash balance, higher than envisaged capital expenditure / growth investment, imposition of any regulatory restriction placed on the Company on declaration/recommendation of dividend. The Board of Directors of the Company may opine that it would be prudent to conserve capital for growth or other exigencies, as per the assessment of the Board, and hence dividend may not be declared/ recommended or reduced dividend may be declared/recommended.

There may also be obligations that the Company could undertake under the terms of preference shares or other debt capital instruments, as and when the Company raises capital through this medium, pursuant to applicable laws which might prohibit the Company from declaring / recommending dividend in certain circumstances.

The Board may declare/recommend higher dividends in any form, including special dividend, subject to applicable laws, if the capital and reserves position supports a higher distribution to the shareholders.

#### **CONFLICT IN POLICY**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

#### **DISCLOSURE OF POLICY**

As per the SEBI Regulations, the Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, [www.reproindia ltd.com](http://www.reproindia ltd.com).

#### **REVIEW**

This Policy may be reviewed and amended periodically as and when required by the

Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

#### **AMENDMENTS**

Any subsequent amendment / modification in the Companies Act, 2013, SEBI Regulations and / or other applicable laws in this regard shall automatically apply to this Policy. The revision/ amendment to the Policy, if any, shall be subject to the approval of the Board, if and when practical difficulties are encountered.

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