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**Dividend Distribution Policy**  
**of**  
**Fermenta Biotech Limited**

(Approved at the meeting of the Board dated June 29, 2021)

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## Dividend Distribution Policy ("Policy") of Fermenta Botech Limited

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

(i) **Preamble:**

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

(ii) **Objective:**

This Policy sets out the parameters that shall be taken into account while considering declaration of dividend (including interim dividend) by the company.

(iii) **Law:**

The dividend, if any, shall be paid in compliance with the provisions of the Companies Act, 2013, Listing Regulations, guidelines of the Reserve Bank of India in connection with the deposit and payment of dividend money and other applicable statutory provisions as amended from time to time ("Law").

(iv) **General parameters for consideration and distribution of dividend**

The Board shall take into account various (financial, non-financial, internal, external) factors while considering declaration /recommendation of dividend including the following:

- (a) Expectations of all stakeholders.
- (b) Profitability and outlook.
- (c) Liquidity.
- (d) Investment plans.
- (e) Working capital requirements.
- (f) Payment out of profitability or reserves.
- (g) Past dividend trends.
- (h) Peer groups dividends.
- (i) unforeseen events and contingencies
- (j) Financial ratios.
- (k) Business expansions.
- (l) Recessionary economic and business conditions.

- (m) Future uncertainties.
  - (n) Growth earnings.
  - (o) Covenants with lenders if any
  - (p) underlying financial performance, market conditions, cash flow position,
  - (q) Utilization of retained earnings.
- (v) The Dividend may not be recommended if The Board is of the opinion that it is financially not prudent to recommend. The shareholders of the Company may not expect Dividend under certain circumstances including the following:
- (a) In case the Company is undertaking significant expansion which may require higher allocation of resources
  - (b) In case the Company proposes to utilise surplus funds for buy-back of securities
  - (c) In case Company requires significant amount of working capital to fund its future growth
  - (d) In the event of inadequacy of profits or in case the Company has incurred losses
- (vi) **Amendment and publication of dividend policy:**
- In case of any inconsistency between the Policy and provisions of Law, the provisions of Law shall prevail, and any amendments to Law regarding the Policy shall be deemed to be incorporated in this Policy. The Chairman of the Company and the Company Secretary are severally empowered to carry out such amendments to the Policy as and when required, and the amended Policy shall be placed before the Board in due course for noting and/or approval. The Board may change/amend this Policy from time to time at its sole discretion. The Company shall make appropriate disclosures as required under the Law.

**For Fermenta Biotech Limited**



**Sanjay Buch**  
**Chairman**



