

**OneSource Specialty Pharma Limited  
(Formerly Stelis Biopharma Limited)**

CIN: U74140MH2007PLC432497

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**DIVIDEND DISTRIBUTION POLICY**

## INTRODUCTION

Regulation 43A of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) 2015 (Listing Regulations) requires the top 1000 listed entities based on market capitalization calculated as on March 31 of every financial year to formulate a Dividend Distribution Policy which shall be disclosed on their website and web link should be provided in the Annual Reports.

According to Regulation 43A (3)-The listed entities other than those specified at sub-regulation (1) of this regulation may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

Accordingly, the Board of Directors (“Board”) of OneSource Specialty Pharma Limited (“the Company”) has adopted this Dividend Distribution Policy in its meeting held on December 10, 2024 and the policy is effective from the said date.

## OBJECTIVE

The Company is committed to enhance corporate value by developing/expanding its businesses and at the same appropriately rewarding the Shareholders by distributing dividends to them from time to time out of profits/reserves of the Company.

The objective of this policy is to provide guidelines to the Board of Directors of the Company in balancing the dual objectives of appropriately rewarding Shareholders through dividends and retaining capital to support development/expansion of the Company and maintain a healthy capital adequacy ratio.

This policy also aims to sets out the key parameters and circumstances that Board need to consider for arriving at the dividend distribution decision/recommendation. The Board may in extraordinary circumstances, deviate from the guidelines of this Policy by recording the reasons thereof.

The Board has adopted a progressive dividend distribution policy which would under normal circumstance be previous year’s actual paid dividend as a floor with increase in line with the Company’s growth, while adhering to pay sustainable dividend keeping in view the Company’s policy of meeting the long-term growth objectives from internal cash accruals.

## APPLICABILITY

The Company currently has only one class of Shares i.e Equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of Shares.

## DIVIDEND

“Dividend” shall mean Dividend as defined under the Companies Act, 2013 or Listing Regulations together with circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

## **PAYMENT OF DIVIDEND**

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the Shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the Stock Exchange, as required by Listing Regulations.

As per the Listing regulations, dividend distribution policy shall include the following parameters:

### **A. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND**

The Board will assess the Company's financial requirements, including present and future, organic and inorganic growth opportunities and other relevant external and internal factors and declare Dividend in any financial year.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with the provisions of the Act and Regulations, as applicable.

### **B. PARAMETERS**

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

#### **Internal**

- (a) Current year profits, existing reserves and future projections of profitability
- (b) Funds required towards working capital, servicing of outstanding loans and capital expenditure;
- (c) Funds required for merger/acquisitions and towards execution of the Company's strategy;
- (d) Minimum cash required for contingencies or unforeseen events;
- (e) Debt obligations of the Company;
- (f) Past dividend pattern;
- (g) Reputation of the Company;
- (h) Maintaining of required liquidity and return ratios; and
- (fi) Any other significant developments that require cash investments

#### **External**

- (a) State of the domestic and global economy, capital market conditions and dividend policy of competitors;
- (b) Competition or client related risks
- (c) Legislations impacting business or tax
- (d) Client related risks

- (e) Any other external matter or risk
- (f) Industry outlook for future years.
- (g) Providing for any contingencies.

## **C.UTILIZATION OF RETAINED EARNINGS**

The profits earned by the Company that is left after distribution of dividend can be retained in the business or used for various purposes as follows:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of Dividend in future years;
- Issue of Bonus shares; and
- Any other permissible purpose

## **D.CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND**

The Board may choose not to recommend a dividend, if there are important strategic priorities which require large investments that would deplete the Company's cash reserves or due to force majeure or due to uncertainties in the business performance in the near to medium term or due to regulatory/contractual restrictions or if there an inadequacy of absence of profits, or higher working capital requirements for business operation of the Company, if any.

## **APPROVAL PROCESS**

The decision regarding dividend shall be taken only by the Board at its Meeting and not by a Committee of the Board or by way of a resolution passed by circulation. Final dividend shall be paid only after approval at an Annual General Meeting of the shareholders. Shareholder approval is not required for payment of interim dividend.

## **COMPLIANCE WITH APPLICABLE LAWS**

**The Company shall adhere to the statutory requirements codified in the Companies Act, 2013 and also in the Listing Regulations or any other applicable with respect to payment of dividend including time-lines prescribed for distribution of dividend, transfer of dividend to Investor Education and Protection Fund etc.**

## **DISCLOSURE OF THIS POLICY**

The Company shall disclose this Policy on its website and the web link of the same will be provided in the Annual Report of the Company.

## **AMENDMENTS AND MODIFICATION IN THE POLICY:**

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the policy entirely with a new policy as it may deem necessary.

The Board may also establish further rules and procedures, from time to time, to give effect to this policy and to ensure governance of Material Subsidiary Companies.

In the event of any conflict between the provisions of this Policy and of the Listing Regulations or any other applicable legal requirement (“Applicable Law”), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy

## **DISCLAIMER:**

This document does not solicit investments in the Company’s securities. Nor is it assurance of guaranteed returns (in any form), for investments in the Company’s Equity Shares.