

DIVIDEND DISTRIBUTION POLICY

PREFACE

The Dividend Disbursement policy is made pursuant to the Securities & Exchange Commission Directive no. BSEC/CMRRCD/2021-386/03 dated 14th January 2021.

EFFECTIVE DATE

Dividend Distribution policy is applicable with effect from October 18, 2022.

OBJECTIVES

The Objectives of this policy to maintain optimum dividend for the members of the company .on the other hand this Policy is to lay down criteria, parameters and a consistent approach to dividend declaration & distribution of Navana Pharmaceuticals Limited. This policy ensure an optimum balance between sufficient Profits, Dividends & Retain Earnings for the Shareholders. This policy applicable to equity shareholders of the company.

DIVIDEND

Dividend means any amount paid by the company out of Profits or Reserves available for that purpose to its members in proportion to the amount paid up on the share held by the members. Navana Pharmaceuticals Limited shall be paid Dividend as interim or final.

INTERIM DIVIDEND

Interim dividend means dividend declared by the board of directors at any time during a year before the closing of the year.

- The Board of directors of the company shall declare interim dividend. After finalization of audited quarterly/half yearly financial statements of the company
- Only cash shall be paid in the form of interim dividend.
- Interim dividend shall be declare on the basis of face value of per share.
- Interim dividend shall be paid out of profits.
- Interim dividend shall be part of final dividend. In case no final dividend declared by the company, if nay interim dividend paid during the financial year, shall be considered as final dividend at the annual general meeting of the company.
- No dividend shall bear interest against the company.

FINAL DIVIDEND

Final dividend means dividend declared by the Board and Approve by the members in the annual general meeting of the year.

- Final dividend paid in the form of either cash, stock or property/specie Dividend.
- Board of Directors of the company shall recommend final dividend.
- The dividend Recommended by board of directors after finalization of audited financial statement of the company

- Dividend shall be approved by the members at the Annual General Meeting on the basis of recommendation of the board.
- No dividend shall exceed the amount recommended by the board.
- Dividend should relate to a financial year.
- Dividend shall be paid out of the profit of the company for the financial year or out of the profit of the company previous financial year, free Reserve, Dividend equalization Fund etc.
- When profits are inadequate, the company may declare and pay dividend out of reserves & Dividend equalization Fund etc.
- Dividend shall not be declared out of the share premium account or the capital reserve account or revaluation reserve account or out of profit earned prior to the incorporation of the company.
- Stock dividend recommended in view to utilization for business expansion.
- Dividend shall be declare on the basis of face value of per share.
- No dividend shall bear interest against the company.

TYPES OF DIVIDEND

- Cash Dividend: A cash dividend is the distribution of funds or money paid to members generally as part of the company's current earnings or accumulated profits.
- Stock Dividend: Stock dividend are those paid out in form of additional stock of the company.
- Property/Specie Dividend: Special / Property dividend are those paid out in the form of assets from the issuing company.

FACTORS CONSIDERING FOR DIVIDEND RECOMMENDATION

The Board of Directors of the company shall consider following factors for recommendation and declare final dividend or interim dividend for the members of the company along with statutory & regulatory factors as follows:

- Net profit after tax for the year.
- Free reserve of the company.
- Operating cash flows.
- Liquidity position of the company.
- Investment opportunity.
- Dividend trend of the company.
- Dividend of peer industry.
- Any other factors as may be deemed fit by the Board.

CIRCUMSTANCES UNDER WHICH THE MEMBERS OF THE COMPANY MAY NOT EXPECT DIVIDEND

The Board of Directors of Navana Pharmaceuticals Limited may not declare any dividend for the members for the following circumstances:

- At the event of the company making losses or the profits are inadequate.
- Expansion of existing Business.
- BMRE & new Investment opportunities

- Where the company is having requirement of funds for capital allocation, working capital etc.
- Inadequate availability of cash.
- Any adverse situation which is beyond control by the company.
- Any other reason as may be deemed fit by the board in accordance with The Articles of the company.

UTILIZATION OF RETAINED EARNINGS

Profit retained by the company for the purpose of further investment, business operation, BMRE and as well as dividend declaration of upcoming years and any other reason determined by the Board.

AUTHORITY FOR DIVIDEND

Authority of recommendation, declaration & approval of dividend in a financial year of Navana Pharmaceuticals Limited as follows:

- The Board of Directors of the company shall declare & approve interim Dividend for the Members in consideration of interim profit.
- The Board of Directors of the company shall recommend final dividend for the Members in consideration of profit and distributable reserve & surplus.
- Members of the company shall approve final dividend on the basis of recommendation by the board in Annual General Meeting.

PARAMETERS OF DIVIDEND

The Board of Navana Pharmaceuticals Limited shall determine the parameters of dividend for distribution to its members time to time as they think fit.

ENTITLEMENT OF DIVIDEND

The members of Navana Pharmaceuticals Limited whose name will appear in the Depository Register on the record date then they will be entitled to receive Dividend.

TAXES

The company shall deduct taxes on cash & stock dividend of its members as per Finance Act of respective year.

DIVIDEND DISBURSEMENT MODE & TIME

- Cash Dividend: Cash dividend shall be paid to the members through BEFTN, A/C Cheque, Warrant or any other Electronic form approved by the Bangladesh Bank. Cash dividend of Non-resident Sponsor, Director, and Shareholder, unit holder or Foreign Portfolio Investor shall be paid through security custodian or any other mode as per instruction of regulators within stipulated time.
- Stock Dividend: Stock dividend shall be credited directly to the BO accounts of the members within stipulated time.

SETTLEMENT OF MARGIN CLAIM

The Company shall settle margin claim on cash dividend upon receiving claim from Stock broker, Merchant banker or Portfolio Manager as per regulatory instruction.

UNPAID & UNCLAIMED DIVIDEND

Cash or stock dividend which remain unpaid or unclaimed less than three years from the date of approval then the company will maintain & settle such dividend as per company's internal policy.

Cash or stock dividend which remain unpaid or unclaimed three years or than three years from the date of approval then the company will maintain & settle such dividend as per company's internal policy as per regulatory instruction.

The company also disclose the same in the Yearly/quarterly financial statement, Annual Report as well as Website of the company.

DIVIDEND COMPLIANCE REPORT

Navana Pharmaceuticals Limited shall submit dividend compliance report to the all regulators as per regulatory rules and also disclose the same in the website of the company.

AUTHORITY

The Board of Directors would be amendment this policy in accordance with the Statutory & Regulatory Rules and Regulation time to time and Navana Pharmaceuticals Limited also reserve its right to alter, modify, add, delete or amend any of the provision of this policy by Board of Directors.

DISCLOSER

Navana Pharmaceuticals Limited shall disclose the dividend disbursement policy in its website as well as Annual Report for the all stakeholders.