

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

The objective of the **Dividend Distribution Policy** of **Paramount Communications Limited** (hereinafter “**Company**” or “**Paramount**”) is to establish the parameters to be considered by the Board of Directors of the Company before declaring and recommending dividend which shall, inter alia, include:

- a) the financial parameters and parameters including other internal/ external factors that shall be considered while declaring dividend;
- b) the circumstances under which the shareholders of the Company may or may not expect dividend;
- c) the manner of utilization of retained earnings; and
- d) Parameters that shall be adopted with respect to various class of shares, if any.

This Policy aims to lay down a framework with regard to distribution of dividend or retention of profits and to provide clarity to the stakeholders on the dividend distribution strategies of the Company.

2. POLICY

a) **Circumstances under which the shareholders may or may not expect dividend**

The Board of Directors shall declare dividend in compliance with the provisions of Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and any other provisions/rules/regulations as may be applicable from time to time. However, the Board of Directors, 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 consider not declaring any dividend or declare a lower rate of dividend based on the following circumstances:

- The Company has incurred losses or in the stage of inadequacy of profits;
- If the Board of Directors is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansions, meeting enhanced working capital requirement or other relevant factors, relevant or incidental to smooth operations of business and affairs of the Company.

Further, the Board may also take into consideration such other circumstances as it may in its absolute discretion think fit.

b) Parameters to be considered before recommending dividend

The Board of Directors of the Company shall consider the following financial including internal and external factors while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Operating cash flows
- Working capital requirements and expected future capital/ liquidity requirements;
- Past dividend pay-out ratio/trends; and
- Earnings outlook for next three to five years
- Expected future capital / liquidity requirements
- Any other relevant factors and material events as the Board may deem fit from time to time.

The Board of Directors 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.
- Situation of Pandemic affecting the operations of the Company

c) Utilisation of retained earnings

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

d) Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

3. CONFLICT IN POLICY

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

4. 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. Further, all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the said clause shall apply.