

Paramount Dye Tec Limited

Dividend Distribution Policy

The Dividend Distribution Policy ('the Policy') establishes the guiding principles for Paramount Dye Tec Limited in determining the amounts that can be distributed to its equity shareholders as dividend. The objective is to strike an appropriate balance between rewarding shareholders through dividends and retaining earnings to meet the future growth and funding requirements of the Company.

The Policy lays down the internal and external factors that the Board of Directors shall consider while declaring dividend, the circumstances under which shareholders may or may not expect dividend, and the manner of utilization of retained earnings.

The Board of Directors may consider declaration of interim dividend based on the cash flow position of the Company. The declaration of final dividend, as may be recommended by the Board, shall be subject to approval of the shareholders at the Annual General Meeting, in accordance with the provisions of the Companies Act, 2013.

Subject to applicable laws, the dividend pay-out of the Company will be determined considering the availability of profits, future capital expenditure plans, investment opportunities, optimal shareholder return and overall financial position of the Company.

Parameters for declaration of dividend shall include financial parameters such as liquidity, profitability, debt-equity ratio, coverage ratios and business expansion requirements; external factors such as economic environment, government policy, industry outlook and shareholders' expectations; and internal factors such as working capital needs, modernisation, R&D, acquisitions or diversification plans.

Utilisation of retained earnings shall be guided by strategic needs such as acquisitions, diversification, replacement of capital assets, expansion of capacity, market and product development, modernisation and strengthening of financial position.

The Board may recommend lower dividend payout or no dividend in certain circumstances after considering the opportunities and risks, or in the event of adverse business/regulatory environment. Dividend declared, if any, shall be in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable laws.

This Policy shall be reviewed periodically by the Board of Directors and made available on the website of Paramount Dye Tec Limited. Any changes in law or regulations shall automatically override the provisions of this Policy to ensure full compliance.