



Paramotor Digital Technology Limited
DIVIDEND DISTRIBUTION POLICY

I. DEFINITIONS

“Applicable Laws” shall mean the Companies Act, 2013 and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the circulars issued thereunder; as amended from time to time and such other act, rules or regulations which deal with the distribution of dividends

“Board” or **“Board of Directors”** means the board of the directors of the Company.

“Companies Act” means the Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

“Company” means Paramotor Digital Technology Limited.

“Dividend” includes interim dividend.

“Financial Year” means the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Policy” shall mean this Dividend Distribution Policy of the Company.

Words and expressions used and not defined in this Policy but defined in the Companies Act, Listing Regulations or other Applicable Laws shall have the same meaning respectively assigned to them in those Applicable Laws.

II. PURPOSE AND SCOPE

Regulation 43A of the Listing Regulations mandates framing of a dividend distribution policy by the top 1,000 listed companies, based on market capitalization.¹

In view of the said requirement, the Board recognizes the need to lay down a broad framework with

¹ **43A.** (1) The top 1000 listed entities based on market capitalization 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.

(2) The dividend distribution policy shall include the following parameters: (a) the circumstances under which the shareholders of the listed entities may or may not expect dividend; (b) the financial parameters that shall be considered while declaring dividend; (c) internal and external factors that shall be considered for declaration of dividend; (d) policy as to how the retained earnings shall be utilized; and (e) parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

(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.



regard to distribution of dividend to its shareholders. This Policy reflects the intent of the Company to reward its shareholders by declaring dividend and as well as adopt/formulates the parameters (including internal and external factors) to be considered by the Board before declaring or recommending dividend.

The Policy provides transparency to the shareholders, sets out the circumstances/parameters and different factors considered by the Board while deciding on distribution or retention of profits.

The Company will strive to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes, and to maintain a consistent approach to dividend pay-out plans.

Towards this end, the Company would utilize its profits first towards various business requirements like expenditure to meet expansion, investment in technology infrastructure, reducing debt, maintaining optimum working capital, funds for inorganic growth opportunities. The Board will have regard to this Policy while declaring/recommending dividends on behalf of the Company.

The Board in its meeting held on 18.04.2026 has approved and adopted this Policy.

The Policy shall become effective from the date of its approval by the Board.

III. DIVIDEND DISTRIBUTION

(A) CATEGORIES OF DIVIDEND

The Companies Act provides for two forms of Dividend - final and interim. The Board shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board shall have the absolute power to declare interim dividend during the Financial Year, as and when they consider it fit.

Final Dividend

The final dividend is paid once for the Financial Year after the annual accounts are prepared. The Board has the power to recommend the payment of final dividend to the shareholders in a general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the annual general meeting.

Interim Dividend

This form of dividend can be declared by the Board one or more times in a Financial Year as it may deem fit, in line with the Companies Act and this Policy. The Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

(B) CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is an important decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in the business. Hence, the shareholders of the Company may expect dividend only if the Company has adequate profits after complying with all other statutory requirements under Applicable Laws.



The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- (a) in case of inadequacy of profits or whenever the Company has incurred losses;
- (b) in case Company has to mandatorily transfer certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration;
- (c) in case the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- (d) in case the Company undertakes any acquisitions or joint arrangements requiring significant allocation of capital;
- (e) in case of significantly higher working capital requirement affecting free cash flow;
- (f) in case of financial commitments with respect to the outstanding borrowings and interest thereon;
- (g) in case the Company proposes to utilize surplus cash for buy-back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- (h) in case the Company is prohibited to recommend/declare dividend by any regulatory body.

The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy, if any.

(C) FINANCIAL AND OTHER PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial/internal parameters while declaring or recommending dividend to shareholders:

- (a) Profits earned and available for distribution by the Company;
- (b) Accumulated reserves of the Company including retained earnings;
- (c) Company's liquidity position including its present and expected obligations;
- (d) Expected future capital expenditure requirements of the Company including organic/inorganic growth opportunities;
- (e) Long term investments proposed, capital restructuring, debt reduction, etc.;
- (f) Cost of raising funds from alternate sources;
- (g) Crystallisation of contingent liabilities of the Company;
- (h) Profit earned under consolidated financial statements;
- (i) Past dividend trends of the Company and the industry;
- (j) Financial commitments of the Company with respect to the outstanding borrowings and interest thereon;
- (k) Current and projected cash balances of the Company;
- (l) Other corporate action options available to the Company (including bonus issue, buy-back of shares, etc.); and
- (m) Any other relevant factors and material events.



The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- (a) **Macro-economic environment** - Significant changes in the macro-economic environment materially affecting the industry and geographies in which the Company operates;
- (b) **Regulatory changes** - Introduction of new regulatory requirements or material changes in existing taxation or regulatory regime (including dividend distribution tax), which significantly affects the Company's operations or finances;
- (c) **Technological changes** – Significant changes which necessitate new investments in any of the businesses in which the Company is engaged; and
- (d) Any other relevant factors and material events, including statutory and contractual restrictions.

(D) ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

Entitlement: The Dividend shall be paid to the shareholders entitled to receive Dividend on the record date/book closure date as per Applicable Laws.

Timelines: The payment of dividend shall be made within the time prescribed as per the provisions of the Companies Act, 2013. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of interim dividend and within 30 days from the declaration by the shareholders in the annual general meeting of the Company in case of final dividend.

(E) MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings shall be deployed in line with the objects of the Company as detailed in its memorandum of association. The retained earnings shall be utilised in a manner which is beneficial to the interests of the Company and also its shareholders. The decision of utilisation of the retained earnings shall be based on the factors like strategic and long-term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard. In the absence of the opportunity to utilise retained earnings in any of the above options, as an exception, the Board shall use the larger portion of profits to distribute amongst the shareholders as dividend.

(F) PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of equity shares with equal voting rights and therefore all shareholders of the Company are entitled to receive the same amount of dividend per equity share. Parameters for dividend payments in respect of any other class of equity shares will be as per the respective terms of issue and in accordance with the Applicable Laws and will be determined, if and when the Company decides to issue other classes of equity shares/preference shares.

IV. RATE/QUANTUM OF DIVIDEND

It has always been the Company's endeavour to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of dividend to the shareholders. The Company shall maintain a dividend pay-out as may be determined by the Board from time to time, considering the general



business factors and other significant parameters specified above.

V. CONFLICT IN POLICY

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

VI. REVIEW/AMENDMENT

The Board may, from time to time, make amendment(s) to this Policy to the extent required due to change in Applicable Laws and/or regulations or as deemed fit on a review.

VII. DISCLOSURE

The Policy shall be disclosed on the website of the Company and a web-link shall also be provided in its annual report.

If Company proposes to declare dividend on the basis of parameters in addition to the ones listed in this Policy or proposes to change such additional parameters or the Policy, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

VIII. DISCLAIMER

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.