

Paras Healthcare Limited

Dividend Distribution Policy¹

¹ Approved by the Board of Directors in their meeting held on July 22, 2024

DIVIDEND DISTRIBUTION POLICY

I. OBJECTIVE AND INTRODUCTION

The objective of this Policy is to set out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company while balancing the objectives of rewarding the shareholders through dividends and retaining capital to invest in the growth of Company.

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”), requires that top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) 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.

This policy applies to the distribution of dividend by the Company in accordance with the provisions of the Companies Act, 2013 (“Act”) and Listing Regulations.

II. PARAMETERS/CIRCUMSTANCES FOR DIVIDEND DISTRIBUTION

1. The financial/internal parameters that shall be considered while declaring dividend:

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

- Capital allocation plans including:
 - Expected cash requirements of the Company towards working capital,
 - Expected future capital expenditure requirements of the Company;
 - Investments required towards execution of the Company’s strategy;
 - Funds required for any acquisitions that the Board of Directors may approve;
 - Fresh investments in subsidiaries and external businesses; and
 - Any share buy-back plans.
- Free Cash Flow;
- Profits earned and available for distribution during the Financial Year;
- Liquidity Position;
- Accumulated Reserves including Retained Earnings;
- Cost of raising funds from alternate sources;
- Crystallization of contingent liabilities of the Company;

- Profit earned under Consolidated Financial Statement
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments
- Any other relevant factors and material events determined by the Board of Directors

2. External factors that shall be considered for declaration of dividend:

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

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

3. Circumstances under which the shareholders may or may not expect dividend:

The Company shall comply with the relevant statutory requirements that are applicable to the Company in relation to the declaration of dividend or retained earnings. Generally, the Board of Directors shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

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

- In case of inadequacy of profits or whenever the Company has incurred losses;
- Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Whenever higher working capital requirement affecting free cash flow;
- Whenever the Company proposes to utilize surplus cash for buy-back of securities or setting off previous year losses;
- In case the company is prohibited to recommend/ declare dividend by any regulatory body;
- In case of adverse market conditions and business uncertainty;

4. Policy as to how the retained earnings shall be utilized:

Retained earnings shall be utilized in a manner which is beneficial to the interests of the Company and also its shareholders. The retained earnings may be utilized by the Company 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. In the absence of any viable growth opportunity (organic / inorganic), the Company shall utilize retained earnings for reducing its debt obligations. In the absence of the opportunity to utilize 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.

5. Provisions in regard to various classes of shares:

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently, the Company has issued only one class of shares, namely, Equity Shares.

III. DISCLOSURE OF POLICY

This policy shall be disclosed on the Company's website and such web link shall also be provided in the Annual Report.

IV. REVIEW, LIMITATION AND AMENDMENT

The Board of Directors shall review this Policy as may be deemed necessary and in accordance with any regulatory amendments.

In the event of any conflict between the Act and Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy.

Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.