

DIVIDEND DISTRIBUTION POLICY

1. Objective

The Board endeavors to maintain fairness, consistency and sustainability while distributing profits and to strike a balance between the quantum of dividend paid and amount of profits retained in the business.

The main objective of this Policy is to provide a mechanism for determining the amount of dividend pay-out by the Company after retention of sufficient funds for the future business needs.

2. Definition

- A. "Board" means Board of Directors of the Company.
- B. "Company" means Panama Petrochem Limited.
- C. "Dividend" includes interim dividend.
- D. "Member" means as defined under Section 2(55) of the Companies Act, 2013.
- E. "Policy" means - Dividend Distribution Policy.
- F. "Regulations" mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

3. Interpretation

Words and expressions used and not defined in this Policy but defined in the Regulations, or the Companies Act, 2013 and Rules, Notifications and Circulars as amended from time to time thereunder shall have the same meanings respectively assigned to them therein.

4. Key Parameters to be considered for Declaring

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

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

B. Parameters to be considered before recommending dividend:

The Company stands committed to deliver sustainable value to all its stakeholders and will strive to distribute an optional and appropriate level of the profits earned by it in its business in the form of dividend. Taking into consideration various factors, the Company will endeavor to maintain a dividend pay-out of up to 20 percent of profit after tax (PAT) on the standalone financials.

Some of the factors which would be considered whilst considering the quantum of dividend are:

- Current year profits and business requirements for future needs like growth, capital expenditure, working capital etc;
- Operating cash flows and treasury needs/requirements;
- Government policies;
- General economic environment;
- Industry outlook;
- Contingencies which could have financial repercussions;
- Retained Earnings and
- Any other relevant factors and material events

C. Parameters adopted with regard to various classes of shares:

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividend. Presently the Company has only one class of equity shares hence all the members of the Company (as on the record date) are entitled to receive the same amount of dividend per share.

5. Amendments

The Board may, at its discretion, 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.

In case of any inconsistency between the Policy and the law for time being in force, the law shall prevail over the Policy.