

Dividend Distribution Policy
Of
Paramount Textile Limited

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PTL Dividend Distribution Policy

01. Introduction:

The Dividend Disbursement policy is made pursuant to the Securities & Exchange Commission Directive no. BSEC/CMRRCD/2021-386/03 dated 14th January 2021. Herein the board has approved the Dividend Distribution Policy for declaration & distribution of dividend for members of Paramount Textile Limited.

02. Objectives:

The objectives of this Policy is to lay down criteria, parameters and a consistent approach to dividend declaration & distribution of Paramount Textile Limited. This policy ensure an optimum balance between sufficient Profits, Dividends & Retain Earnings for the Members.

03. Purpose:

The purpose of this policy to maintain optimum dividend for the members of the Paramount Textile Limited.

04. Effective Date:

Dividend Distribution policy will be effective from the date of its approval by the board of directors of the Company.

05. Dividend:

Dividend means any amount paid by the company out of Profits or Reserves available for that purpose to its members in proportion to the amount paid up on the share held by the members. Paramount Textile Limited shall be paid Dividend as interim or final.



06. Types of Dividend:

- ❖ **Cash Dividend:** A cash dividend is the distribution of funds or money paid to members generally as part of the company's current earnings or accumulated profits.
- ❖ **Stock Dividend:** Stock dividend are those paid out in form of additional stock of the company.
- ❖ **Property/Specie Dividend:** Special / Property dividend are those paid out in the form of assets from the issuing company.

07. Form of Dividend:

- Interim dividend
- Final Dividend

08. Interim Dividend:

Interim dividend means dividend declared by the board of directors at any time during a year before the closing of the year.

- Board of directors of the company shall declare interim dividend.
- The interim dividend declared by board of directors of the company, after finalization of audited quarterly/half yearly financial statements of the company.
- Only cash shall be paid in the form of interim dividend.
- Interim dividend shall be declare on the basis of face value of per share.
- Interim dividend shall be paid out of profits.
- Interim dividend shall be part of final dividend. In case no final dividend declared by the company, if nay interim dividend paid during the financial year, shall be considered as final dividend at the annual general meeting of the company.
- No dividend shall bear interest against the company.



09. Final Dividend:

Final dividend means dividend declared in the annual general meeting of the year.

- Final dividend paid in the form of either cash, stock or property/specie Dividend.
- Board of Directors of the company shall recommend final dividend.
- The dividend Recommended by board of directors after finalization of audited financial statement of the company.
- Dividend shall be approved by the members at the Annual General Meeting on the basis of recommendation of the board.
- No dividend shall exceed the amount recommended by the board.
- Dividend should relate to a financial year.
- Dividend shall be paid out of the profit of the company for the financial year or out of the profit of the company previous financial year, free Reserve, Dividend equalization Fund etc.
- When profits are inadequate, the company may declare and pay dividend out of reserves & Dividend equalization Fund etc.
- Dividend shall not be declared out of the share premium account or the capital reserve account or revaluation reserve account or out of profit earned prior to the incorporation of the company.
- Stock dividend recommended in view to utilization for business expansion.
- Dividend shall be declare on the basis of face value of per share.
- No dividend shall bear interest against the company.



10. Classes of Shares:

Paramount Textile Limited has only one class of share i.e. equity shares hence parameters for dividend distribution apply to the same.

11. Entitlement of Dividend:

The members Paramount Textile Limited whose name will appeared in the Depository Register on the record date then they will be entitled to receive Dividend.

12. Authority:

Authority of recommendation, declaration & approval of dividend in a financial year of Paramount Textile limited as follows:

- Board of Directors of Paramount Textile Limited shall declare & approve interim Dividend for the Members in consideration of interim profit.
- Board of Director of Paramount Textile Limited shall recommended final dividend for the Members in consideration of profit and distributable reserve & surplus.
- Members of Paramount Textile Limited shall approved final dividend on the basis of recommendation by the board in Annual General Meeting.

13. Parameters for Dividend:

The Board of Paramount Textile Limited shall determine the parameters of dividend for distribution to its members time to time as they think fit.

14. Factors considering for Dividend Recommendation:

The Board of the Paramount Textile limited shall consider following factors for recommendation and declare final dividend and interim dividend for the members of the company along with statutory & regulatory factors as follows:



- Net profit after tax for the year.
- Free reserve of the company.
- Operating cash flows.
- Liquidity position of the company.
- Investment opportunity.
- Dividend trend of the company.
- Dividend of peer industry.
- Any other factors as may be deemed fit by the Board.

15. Dividend Disbursement Mode:

- **Cash Dividend:** Cash dividend shall paid to the members through BEFTN, A/C Cheque, Warrant or any other Electronic form approved by the Bangladesh Bank. Cash dividend of Non-resident Sponsor, Director, Shareholders, unit holder or Foreign Portfolio Investor shall paid trough security custodian.
- **Stock Dividend:** Stock dividend shall credit directly to the BO accounts of the members.

16. Settlement of Margin Claim:

Paramount Textile shall settle margin claim on cash dividend upon receiving claim from Stock broker, Merchant banker or Portfolio Manager as per regulatory instruction.

17. Dividend Disbursement time:

- **Interim Dividend:** Paramount Textile Limited shall be paid interim dividend within 30 days from the date of record date.
- **Final Dividend:** Paramount Textile Limited shall be paid Final dividend within 30 days from the date of approval of dividend.



18. Taxes:

Paramount Textile Limited shall deduct taxes on cash & stock dividend of its members as per Finance Act of respective year.

19. Utilization of retained earnings:

Profit retain by the company for the purpose of further investment, business operation, BMRE and as well as dividend declaration of upcoming years.

20. Circumstances under which the members of the company may not expect dividend:

Paramount Textile Limited may not declare dividend for the members for the following circumstances:

- At the event of the company making losses or the profits are inadequate.
- Where the company is having requirement of funds for capital allocation, working capital etc.
- BMRE & new Investment opportunities.
- Expansion of existing Business.
- Inadequate availability of cash.
- Any adverse situation which is beyond control by the company.
- Any other reason as may be deemed fit by the board in accordance with The Articles of the company.

21. Unpaid & Unclaimed Dividend:

- The amount of dividend which remain unpaid or unclaimed after one year Paramount Textile Limited shall maintain those unpaid or unclaimed dividend in accordance with regulatory instruction and also disclose the same in the Yearly/quarterly financial statement, Annual Report as well as Website of the company.
- Unpaid & unclaimed stock dividend shall be created to the suspense BO account directly.



22. Settlement of Unpaid or Unclaimed Dividend:

- Dividend which is remain unpaid or unclaimed less than three year's Paramount Textile Limited shall settle the same as per company's internal policy upon getting claim from the member time to time.
- Dividend which is remain unpaid or unclaimed more than three year's Paramount Textile Limited shall settle the same in accordance with the regulatory instruction upon getting claim from the member time to time.

23. Dividend Compliance Report:

Paramount Textile Limited shall submit dividend compliance report to the Commission & Exchange in accordance prescribed format of commission within stipulated time and also disclose the same in the website of the company.

24. General:

This policy would be amendment in accordance with the Statutory & Regulatory Rules and Regulation time to time and Paramount Textile Limited also reserve its right to alter, modify, add, delete or amend any of the provision of this policy by Board of Directors.

25. Discloser:

Paramount Textile Limited shall disclose the dividend disbursement policy in its website as well as Annual Report for the all stakeholders.

