

## **Cyber Media Research & Services Limited**

### **DIVIDEND DISTRIBUTION POLICY**

#### **Preamble**

This Dividend Distribution Policy is made pursuant to the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations'). The Board of Directors ("the Board") of Cyber Media Research & Services Limited (the "Company"), has approved the Dividend Distribution Policy of the Company ("the Policy") and shall disclose the same on a voluntary basis in the annual reports and on the website of the Company. This Policy sets out the general parameters adopted by the Company for declaration of dividend.

#### **Objective**

The Company aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach to dividend declaration.

#### **Dividend**

Dividend is the amount paid by the Company out of profits, to its Shareholders in proportion to the amount paid up on the shares held by them. As per the provisions of the Companies Act, 2013, ("the Act"), the dividend can be paid as interim or final.

#### **Interim Dividend**

1. The Board shall declare the interim dividend during the financial year, as and when it considers fit to so declare.
2. The interim dividend can be declared by the Board one or more times in a financial year and normally, the Board may consider the declaration of interim dividend after the finalization of the quarterly/half yearly financial statements of the Company.

#### **Final Dividend**

1. The final dividend, if any, is paid once in a financial year after the preparation of the annual financial statements.
2. The Board shall recommend the final dividend to the Shareholders for their approval in the Annual General Meeting of the Company. The declaration of final dividend, if any, shall be included in the ordinary business items to be transacted at the Annual General Meeting of the Company.
3. The final dividend shall be paid to the eligible shareholders as per provisions of the Act, Listing Regulations, and other laws to the extent applicable.

#### **Circumstances under which the Shareholders of the Company may or may not expect dividend**

1. The decision regarding dividend payout is a vital decision, as it determines the amount of the profit to be distributed among its shareholders and the amount of the profit to be retained in business for the future growth and expansion plan of the Company. Dividend for a financial year shall be decided/recommended by the Board, considering, statutory, economic, market, industry, external and internal factors.

2. The Company may not declare dividend or declare dividend at a lower rate under the following circumstances:
  - (a) in the event of the Company making losses or the profits are inadequate;
  - (b) where the Company is having requirement of funds for Capex requiring high capital allocation, working capital, repayment of loans taken in the past;
  - (c) inadequate availability of cash;
  - (d) higher cost of raising funds from alternate sources; and
  - (e) the dividend shall be subject to 20 50 percent of the free cash flows after growth plan, capex, etc.
3. It may be noted that declaration of dividend shall be subject to the provisions of the Act, Listing Regulations, Guidelines issued by Ministry of Corporate Affairs/Ministry of Finance or any other authority.

### **Parameters for Dividend Distribution**

1. The Company has only one class of shares i.e. Equity shares and, hence, the parameters disclosed here under apply to the same.
2. The Board while considering payment of dividend for a financial year may, inter alia, consider the following factors:
  - (a) Profit for the financial year as well as general reserves of the Company;
  - (b) Projections of future profits and cashflows;
  - (c) Borrowing levels and the capacity to borrow including repayment commitments;
  - (d) Present and future capital expenditure plans of the Company;
  - (e) Applicable taxes including tax on dividend;
  - (f) Compliance with the provisions of the Act or any other statutory guidelines including guidelines issued by Government of India;
  - (g) Past dividend trend of the industry;
  - (h) State of economy and capital markets; and
  - (i) Any other factor as may be deemed fit by the Board.
3. The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.

### **Factors to be considered while declaring Dividend**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares.

The dividend pay-out decision of any company depends upon certain external and internal factors.

#### **External Factors:**

**State of Economy:** In case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

**Capital Markets:** When the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions: The Board will keep in mind the restrictions imposed by the Act with regard to declaration of dividend.

**Internal Factors:**

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring dividend, which will, inter alia, include-

- (a) Profits earned during the year;
- (b) Present & future capital requirements of the existing businesses;
- (c) Brand/business acquisitions;
- (d) Expansion/modernization of existing businesses;
- (e) Additional investments in subsidiaries/associates of the Company;
- (f) Fresh investments into external businesses; and
- (g) Any other factor as deemed fit by the Board.