

Dividend Distribution Policy

Objective:

This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof). The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend the dividend by referring to this Policy, the provisions of Companies Act, 2013 and Rules made thereto, SEBI Listing Regulations and other applicable legal provisions, as applicable.

Scope & Applicability:

This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) and is applicable to the Dividend declared by the Company.

Definitions/Key Terms:

- a) Board of Directors” or “Board” means the Board of Directors of PDS Limited, as constituted from time to time.
- b) “Companies Act, 2013” means the Companies Act, 2013 and the rules framed thereunder or as amended from time to time.
- c) “Company” means PDS Limited.
- d) ‘Members/Shareholders’ shall mean shareholders of the Company who hold shares of the Company.
- e) “Policy” means this Policy, as amended from time to time.
- f) “SEBI Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- g) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable laws or regulations.

Roles & Responsibilities

Parameters for Distribution of Dividend:

- a) The Company shall pay dividend (including interim dividend) in compliance with the provisions of Section 123 of the Companies Act, 2013.

- b) The Board of Directors will refer to this policy for declaration of interim dividend and for recommendation of dividend to shareholders for their approval in the Annual General Meeting.
- c) The Company has only one class of shareholders – equity shareholders. Therefore, dividend declared will be distributed equally among all Equity shareholders, based on their shareholding as on the record date. In the event of the Company issuing any other class(es) of shares, the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.
- d) The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board 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.
- e) The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. The decision on the distribution of dividend will consider, inter-alia, the various financial/ internal and external parameters including the financial position of the Company.

Implementation

- **Retained Earnings:**
The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined in the parameters above or it can be distributed to the shareholders.
- **Dividend – Payout:**
Dividend will be declared out of the current year's Profit after Tax of the Company or from Accumulated profit of the Company in compliance with statutory laws and applicable Acts.

It will be the endeavor of the Company to declare Dividend of atleast 25% of the profit after tax in a given year to the shareholders.

The Board may at its discretion recommend special dividend as and when it deems fit.

- **Deviations:**
The Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

- a. The Company has reported a net loss for the year.
- b. Cash flow from operations is negative.
- c. The credit protection or capital adequacy metrics of the Company require the same.
- d. The Company is undergoing any form of debt restructuring.
- e. The Company has been prohibited from declaring dividends by any regulatory authority or Lender.
- f. The Company has implemented, or intends to implement, a share buyback scheme or any other alternate profit distribution measure.
- g. Any other extraordinary circumstance.

Compliance & Consequences:

- The Company shall comply with all statutory and regulatory requirements regarding dividend declaration and payment as prescribed under the Companies Act, 2013, and Listing Regulations, 2015.

Related Documents:

This Policy should be read in conjunction with the following documents:

- The Companies Act, 2013 read with rules made thereunder as amended from time to time.
- Corporate Governance Framework of the Company.
- SEBI Listing Regulations and the Companies Act, 2013.

Ownership and Review:

Ownership: This Policy shall be owned and administered by the Board of Directors of the Company.

Review: This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force. In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Further, in the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or any other statutory enactments or rules, the provisions of SEBI Listing Regulations or the Companies Act, 2013 or statutory enactments or rules made thereto shall prevail over this Policy.

Version History:

Version No.	Approved on	Created by	Approved by
1	May 27, 2021	Secretarial Team	Board of Directors

