



DIVIDEND DISTRIBUTION POLICY

Regulatory Reference	Regulation 43A of SEBI (LODR) Regulations 2015 Companies Act 2013
Review Frequency	Annual or as required

1. Preamble

This Dividend Distribution Policy ('Policy') has been adopted by the Board of Directors of Prompt Corporate Services Limited ('PCSL' or 'the Company') in compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits considering the Company's growth plans and other relevant factors.

2. Circumstances for Consideration of Dividend

The Board shall recommend dividend taking into account the following circumstances:

- Distributable profits available after providing for depreciation, taxes, and other statutory reserves.
- Existence of adequate cash flows and liquidity requirements.
- Compliance with all applicable regulatory requirements.
- No default in payment of interest or principal on loans or deposits.

3. Circumstances under Which the Shareholders May or May Not Expect Dividend

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.

4. Financial Parameters

The following financial parameters shall be considered while declaring or recommending dividend:

4.1 Internal Parameters

- Earnings Per Share (EPS) and profitability levels.
- Capital expenditure requirements and planned investments.
- Requirement for funds for new business opportunities, including those in stock broking and NBFC operations.
- Working capital requirements for the forthcoming year.

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Director



- Debt servicing obligations including loan repayments.
- Net Non-Performing Assets (NPA) levels as applicable to NBFC operations.
- Capital adequacy requirements mandated by RBI for Non-Deposit Taking NBFCs.

4.2 External Parameters

- Macro-economic environment and market conditions.
- Regulatory requirements and restrictions imposed by RBI on dividend payment by NBFCs.
- Tax considerations including Dividend Distribution Tax or applicable taxes.
- Interest rates and inflation levels.
- Capital market conditions.

5. Policy on Usage of Retained Earnings

Retained earnings shall be utilized for:

- Capital expenditure and expansion of business operations.
- Augmenting the Net Owned Funds (NOF) of the Company as required under RBI regulations for NBFCs.
- Investment in technology upgradation, particularly for trading platforms and broking operations.
- Building reserves for meeting regulatory requirements including SEBI mandated reserves.
- Acquisitions, strategic investments or joint ventures.
- General corporate purposes.

6. Parameters for Dividend Declaration

The Board may consider the following parameters:

- Dividends declared shall be paid within 30 days of declaration.
- Unclaimed dividends shall be transferred to the Investor Education and Protection Fund (IEPF) as per applicable law.

7. Restrictions on Dividend Payment (NBFC Specific)

As per RBI guidelines for Non-Deposit Taking Non-Systemically Important NBFCs, the Company shall not declare dividend:

- If there is a shortfall in CRAR (Capital to Risk Weighted Assets Ratio) below the prescribed minimum.
- If the Company has not complied with the provisioning norms prescribed by RBI.
- Where the net NPA ratio exceeds 6% of net advances.
- If the Company has not complied with the reporting requirements as prescribed by RBI.

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8. Forms of Dividend

The Company may declare dividends in the following forms:

- Interim Dividend: Declared by the Board during the financial year.
- Final Dividend: Recommended by the Board and declared by shareholders at the Annual General Meeting.
- Special Dividend: May be declared under exceptional circumstances.

9. Disclosure

This Policy shall be disclosed on the website of the Company and in the Annual Report. Any modification to this Policy shall also be disclosed in the manner prescribed under SEBI LODR Regulations.

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