

POLICY FOR DIVIDEND DISTRIBUTION PREVEST DENPRO LIMITED

This policy applies to the distribution of dividend by Prevest Denpro Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the Listing Regulations.

Background

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandated formulation of Dividend Distribution Policy for the Company. Such a policy shall be disclosed in the annual report and on the website of the Company.

This policy sets out the parameters and circumstances that will be considered by the Board of Directors of the Company in determining the distribution of dividends to its shareholders and/or retaining profits earned by the Company.

The Board of Directors may, in extraordinary circumstances, deviate from the parameters listed in this policy.

a. The circumstances under which the shareholders may or may not expect a dividend.

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividends 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.

b. The financial /internal parameters that shall be considered while declaring dividend.

The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.
- Investments required towards execution of the Company’s strategy
- Funds required for any acquisitions that the Board of Directors may approve; and
- Any share buy-back plans.
- Minimum cash required for contingencies or unforeseen events.
- Funds required to service any outstanding loans.
- Liquidity and return ratios.
- Any other significant developments that require cash investments

c. External factors that shall be considered for declaration of dividend.

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients.
- Any political, tax and regulatory changes in the geographies in which the Company operates.
- Any significant change in the business or technological environment results in the Company making significant investments to effect the necessary changes to its business model.
- Any changes in the competitive environment require significant investment.

d. Policy as to how the retained earnings shall be utilized.

The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

e. Provisions in regard to various classes of shares.

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, EquityShares.

Promoters' Discretionary Forgoing of Dividends

The Promoters of the Company, at their sole discretion, may choose to forgo their entitlement to receive dividends declared by the Board of Directors ("the Board") of the Company, subject to the approval of the Board.

The Promoters shall notify the Board in writing of their decision to forgo their dividend entitlement within a reasonable time period prior to the distribution of dividends to the shareholders.

The decision of the Promoters to forgo dividends shall be presented to the Board during a duly convened meeting and recorded in the minutes of that meeting. The Board, after considering the reasons provided by the Promoters for such a decision, shall have the authority to approve or reject the request to forgo dividends.

In the event that the Board approves the Promoters' request to forgo dividends, the Promoters shall be deemed to have waived their rights to receive any dividend declared for the specified period. The waived dividends shall not be accumulated or carried forward to future periods.

The Promoters' decision to forgo dividends shall not impact on the entitlement of other shareholders to receive their respective dividend payments. The dividend distribution shall be carried out as per the dividend policy and applicable laws and regulations.

The Promoters may exercise their right to forgo dividends on a periodic basis, subject to the approval of the Board. However, the decision to forgo dividends shall not be deemed as a permanent waiver of dividend entitlement unless explicitly stated by the Promoters.

This clause shall be effective from the date of its inclusion in the dividend distribution policy, and any previous clauses conflicting with this provision shall be superseded.

The Board may review and amend this clause as necessary, ensuring compliance with applicable laws, regulations, and corporate governance principles.

Review

This policy will be reviewed and amended as and when required by the Board.

Disclosure of the policy

This policy will be uploaded on the website of the Company, which is available at www.prevestdenpro.com

Limitation and Amendment

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

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