

PB FINTECH LIMITED

(Formerly known as Etechaces Marketing and Consulting Private Limited)

DIVIDEND POLICY

1. Regulatory compliance

The dividend distribution shall be in accordance with the relevant and applicable provisions of Companies Act, 2013 (“the Act”), Rules framed thereunder, the Articles of Association of the Company, and other relevant legislations governing dividend distribution (e.g. Income Tax Act), as in force and as amended from time to time.

2. Scope & Objective

This Policy governs the general approach of dividend distribution from PB Fintech Limited (hereinafter referred as “the Company”). This Policy is applicable for distribution of net income & /or retained earnings as dividends to its Shareholders’ and does not include any other forms of distribution (e.g. reduction in share capital, share buy-back etc.)

The Company is committed to improve corporate value by developing/expanding its businesses activities and at the same appropriately rewarding the shareholders by distributing dividends to them from time to time out of profits/reserves of the Company.

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend. Through this policy, the Company will endeavour to maintain fairness, consistency and sustainability while distributing profits to the shareholders.

The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution of or retention of profits, in the interest of providing transparency to the shareholders.

3. Policy Statement

The Board has adopted a progressive dividend distribution policy which would under normal circumstance be previous year’s actual paid dividend as a floor with increase in line with the Company’s growth, while adhering to pay sustainable dividend keeping in view the Company’s policy of meeting the long-term growth objectives from internal cash accruals.

4. Dividend distribution framework

Dividends are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. The Board may recommend dividends, at its discretion, to be paid to shareholders. The Board may also declare interim dividends.

The Board shall consider the following parameters while declaring dividend or recommending dividend to shareholders:

a) Circumstances under which the shareholders may or may not expect dividend

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may consider not declaring any dividend or declare a lower rate of dividend based on the following:

- Prospective growth opportunities/threats/concerns of the Company;
- Inadequacy or absence of profits;
- Higher working capital requirements for business operations of the Company.

b) Financial parameters including Internal Factors that may be considered while declaring dividend

- Profits of the Company;
- Past dividend pattern;
- Major capital expenditure to be incurred by the Company;
- Cash flow requirements of the Company;
- Debt-equity ratio of the Company;
- Cost of borrowing of the Company, keeping in view the growth opportunities;
- Debt obligations of the Company;
- Investments in new business;
- Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- Reputation of the Company;
- Acquisition & divestitures of any business, merger, restructuring etc.
- Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

c) External factors that would be considered for declaration of dividend

- Regulatory requirements
- Economic environment
- Political/geographical situations
- Competition or client related risks
- Inflation rate
- Macro-economic factors
- Providing for any contingencies
- Industry Outlook for future years.

d) Policy as to how retained earnings will be utilized

- Points a, b and c above shall also influence the utilization of the retained earnings
- To be decided by the Company from time to time subject to compliance with the provisions of the Act

e) Parameters that shall be adopted with regard to various classes of shares

The holders of the equity shares of the Company, as on the record date, are entitled to receive

dividends. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

The above listing is merely directional in nature and not exhaustive by any means. The Board may take cognizance of the above factors in conjunction with each other &/or consider any other factor(s) beyond the above listing, as it deems fit in the interest of the shareholders' while proposing the profit distribution.

5. Approval Process

The decision regarding dividend shall be taken only by the Board at its Meeting and not by a Committee of the Board or by way of a resolution passed by circularization.

Final dividend shall be paid only after approval at an Annual General Meeting of the shareholders. Shareholder approval is not required for payment of interim dividend.

6. Amendments to the Policy

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. Interpretation

In case of any conflict between the provisions of this Policy and of the statutory provisions, the statutory provisions shall prevail over this Policy. Any subsequent amendment/ modification in the statutory provisions shall automatically apply to this Policy.

8. Effective Date

This Policy has been approved and adopted by Board of Directors at their meeting held on July 26, 2021.