

PGIL/SE/2023-24/53

Date: August 21, 2023

THE GENERAL MANAGER,
DEPARTMENT OF CORPORATE SERVICES
CRD
BSE LIMITED
1ST FLOOR, NEW TRADING RING
ROTUNDA BUILDING, P. J. TOWERS
DALAL STREET, FORT,
MUMBAI – 400 001

THE GENERAL MANAGER,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA
LTD.
“EXCHANGE PLAZA”, PLOT NO. C- 1,
G- BLOCK, BANDRA - KURLA COMPLEX,
BANDRA (E),
MUMBAI - 400 051

Reg: Scrip Code: BSE-532808;

NSE - PGIL

Sub: Revised Dividend Distribution Policy

Dear Sir/Madam,

We would like to inform that the Board of Directors of the Company in its meeting held today, August 21, 2023, have *inter-alia*, amended the Dividend Distribution Policy.

The revised Dividend Distribution Policy can be accessed on the website of the Company at www.pearlglobal.com.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
for **Pearl Global Industries Limited**

Shilpa
Budhia

Digitally signed by
Shilpa Budhia
Date: 2023.08.21
17:27:21 +05'30'

(Shilpa Budhia)
Company Secretary
ICSI Mem. No. ACS-23564

Encl: as above

Pearl Global Industries Limited

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Regd. Office: C-17/1, Paschimi Marg, Vasant Vihar, New Delhi - 110057



Exceeding Expectations...Always

PEARL GLOBAL INDUSTRIES LIMITED

DIVIDEND DISTRIBUTION POLICY

(Revised by the Board of Directors on August 21, 2023)

1. BACKGROUND

Under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 mandated for top one thousand listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

The objective of this policy is to provide the dividend distribution framework to the shareholders of the Company.

The Company would ensure to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will have referred to this policy while declaring/recommending dividends on behalf of the Company. Through this policy, the Company would strive to maintain a consistent approach to dividend pay-out plans.

The Board of Directors shall recommend/declare dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules framed thereunder, SEBI Listing Regulations and other applicable legal provisions.

2. DEFINITIONS:

- a) **“Board of Directors”** or **“Board”** means the Board of Directors of Pearl Global Industries 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 Pearl Global Industries Limited.
- d) **“Dividend”** means Final Dividend or Interim Dividend
- e) **“Policy”** means Dividend Distribution 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).

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.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend pay-out is an important decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- a) Proposed expansion plans requiring higher capital allocation
- b) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- c) Requirement of higher working capital for the purpose of business of the Company
- d) Proposal for any buy-back of securities
- e) Cash flow from operations is negative.

- f) In the event of loss or inadequacy of profit
- g) Any other circumstance.

4. FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The dividend pay-out decision of the Board depends upon the operating cash flow of the Company; Profit earned during the year; Profit available for distribution; Working capital requirements; Capital expenditure requirements; Business expansion and growth; Up gradation of technology and physical infrastructure; Cost of Borrowings; Past dividend payout ratio / trends; Economic environment; Government regulations; Capital markets; Global conditions; Statutory provisions and guidelines; Dividend payout ratio of competitors.

5. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

a) External Factors to be considered while recommending/ declaring dividend

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of 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 resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

b) Internal Factors to be considered while recommending/ declaring dividend

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia may include:

- Expected cash requirements of the Company including working capital, capital expenditure
- Investments including Mergers and Acquisitions (M&A)
- Cash flow generation
- Buy-back of shares
- Funds required to repay any outstanding loans.

6. RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Currently, the Company does not have different classes of shares and follows the 'one share, one vote' principle. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

8. DECLARATION AND PAYMENT OF DIVIDEND

Dividend (including interim dividend) would be recommended/declared on per share basis out of the current year's Profit after Tax of the Company. Only in exceptional circumstances including but not

limited to loss after tax in any particular financial year, the Board may consider utilizing retained earnings for declaration of dividends, subject to applicable legal provisions.

It will be the endeavor of the Company to declare Dividend of at least 20% of the consolidated profit after tax in a given year to the shareholders.

The Board of Directors may refer to this policy for declaration of interim dividend and for recommendation of dividend to shareholders for their approval in the Annual General Meeting.

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend. Generally, the Board should 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.

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 may consider, inter-alia, the various financial/ internal and external parameters including the financial position of the Company.

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

9. REVIEW AND AMENDMENT

This Policy may be reviewed and amended periodically as and when required by the Board of Directors to ensure that it meets the objectives of the relevant regulation/legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient considering 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.
