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1. INTERIM DIVIDEND AND FINAL DIVIDEND

Interim Dividend	Final Dividend
1. Declared during the FY or after FY but before AGM	Declared at the AGM
2. Declared by Board	Recommended by Board and Declared by members *Even with the consent of all members also a Co cannot declare dividend higher than the rate recommended by Board (Reg-80 of Table-F)*
3. Declared before finalization of accounts	Declared after finalization of accounts
4. It cannot be revoked	It can be revoked before declaration
5. Only profit and loss account can be used. Reserves (even free reserves) cannot be used.	In the absence of inadequate or no profits during a year, ID can be declared using (a) profit and loss account or (b) free reserves (*subject to certain conditions given in rules)*
In case of loss during the current year up to the quarter preceding the date of declaration, *Then the rate of dividend should not exceed the average rate during the 3 PFY's.*	

2. SOURCES FOR DECLARATION OF DIVIDEND

<table>
<tr><th>Current Year Profits</th><th>Previous Year Profits</th></tr>
<tr><td>
1. Depreciation should have been provided.
2. Such depreciation should have been calculated as per Schedule-II.
3. Carried our previous losses shall be set off.
4. Carried our depreciation shall be set off against.
5. Notional profits and fair value impact shall be excluded.
6. Capital profits shall be excluded.
Transfer to reserves before declaration of dividend:
a) Whether to transfer or not: Company Choice.
b) How much to transfer: Company Choice?
c) Whether dividend can be declared without transfer to reserves: Yes
</td><td>
1. Depreciation should have been provided in the previous year.
2. Profits remained undistributed.
<table>
<tr><th>Profits lying in P&L A/c itself</th><th>Profits transferred to Free Reserves</th><th>Profits transferred to other reserves</th></tr>
<tr><td>Dividend can be declared without any restrictions</td><td>Dividend can be declared subject to conditions
1. Max 3 years Avg rate (Not applicable if div not declared in all the 3 years).
2. Withdrawal – Max.10% of PSC+FR.
3. Balance Reserves – 15% of PSC
(Not applicable to wholly owned Govt Co)</td><td>Dividend cannot be declared.</td></tr>
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