



MAGSON RETAIL AND DISTRIBUTION LIMITED

DIVIDEND DISTRIBUTION POLICY

BACKGROUND

Based on various parameters each Company follows different procedure for deciding the quantum of profit to be distributed as dividend to the shareholders and the quantum of profit to be retained. Since the business considerations, future strategy, ancillary factors and requirement of funds for the growth of any Company differs from organization to organization based on the type of business, the scale of operations and the movement of business and economic cycles, each Company follows a different policy for the distribution of profits as dividend. To enable the shareholders to make reasonable estimate of quantum of dividend that they are likely to receive, it would be important for them to know and understand the parameters influencing the Company's decision making in the matter. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 notified on 8th July, 2016, have inserted Regulation 43A in the Listing Regulations requiring top 500 listed companies based on the market capitalization to frame and adopt a Dividend Distribution Policy. The Policy is also required to be disclosed in the Annual Report and placed on website of the company. It is worth noting that though the Company is not falling under the criteria of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, this policy is framed by the Company for better Corporate Governance.

OBJECTIVE:

The Board has formally framed and adopted this Dividend Distribution Policy for better Corporate Governance. The policy lays down the parameters and different circumstances that are to be considered by the Board from time to time for taking the decision for distribution and / or retention of profits. The Board in its meeting held on March 13, 2023 have approved this Policy with immediate effect.

Any subsequent amendment / modification in the applicable statues in this regards shall automatically apply to this Policy. This policy shall be put up on the website of the Company.

DEFINITION:

In the Policy, unless the context otherwise requires:

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“Applicable Laws” shall mean the Act, Listing Regulations and such other acts, rules or regulations which govern the distribution of Dividend; as amended from time to time.

“Board” or “Board of Directors” means the collective body of the Directors of the Company.

“Company” means Magson Retail and Distribution Limited.

“Dividend” means dividend on equity shares of the Company and includes interim dividend.

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time or any re-enactment thereof.

“Policy” means this Dividend Distribution Policy of the Company. All the words and expression used in this Policy, unless defined in the Policy, shall have the same meaning respectively assigned to them under the Applicable Laws.

QUONTUM, MANNER AND CONSIDERATION FOR DIVIDEND:

Subject to the compliance with Applicable Laws, the Company shall endeavour to distribute upto approximately 25 % of its annual Consolidated Net Profit after tax as dividend (including all applicable taxes on distribution of such dividend) subject to sufficiency of stand-alone profits available for distribution of dividend in the relevant year and other factors.

The distribution of dividend can be by way of Interim (in one or more tranches) and / or Final Dividend.

In case of exceptional circumstances such as:

- a) Inadequacy of profits in any year;
- b) Absence of profit in any year;
- c) Any special circumstance or event, including those which are significantly impacting or likely to significantly impact the operations, working and profits of the Company– both, positively and negatively;
- d) Any exceptional event requiring large investment or commitment by the Company, the Board may deviate from the aforesaid criteria, subject to compliance with the provisions of the Applicable Laws and shall disclose such changes along with the rationale for the same in its annual report and on its website.

The retained earnings shall be utilised for funding the Company's business and operations, meeting with investment requirement for organic and inorganic growth and such other purposes as may be deemed fit from time to time. The payment of dividend for all other classes of shares shall be based on the respective rights attached to each class of shares as per the terms and conditions of their issue, subject to the Applicable Laws.

REVIEW OF THE POLICY

The Chairman of the Company is authorised to give appropriate directions and / or make changes in the policy and also for the purpose of resolving any doubts or difficulty that may arise in the implementation of the said Policy. The Policy may be reviewed and revised from time to time by the Board.

DISCLOSURE

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.magson.in

DISCLAIMER

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

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