

**Morganite Crucible (India) Limited**  
Morgan Advanced Materials  
Molten Metal Systems  
B-11, M.I.D.C., Waluj  
Aurangabad - 431 136,  
Maharashtra, (India)

# **MORGANITE CRUCIBLE (INDIA) LIMITED**

## **DIVIDEND**

## **DISTRIBUTION**

## **POLICY**

**[2<sup>nd</sup> Amendment to Dividend Distribution Policy approved in the Board of Directors Meeting held on November 12, 2021]**

**[1<sup>st</sup> Amendment to Dividend Distribution Policy approved in the Board of Directors Meeting held on May 24, 2018]**

**[Approved in the Board of Directors Meeting held on May 25, 2017]**

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## **1. OBJECTIVE**

Morganite Crucible (India) Limited (hereinafter referred to as “the Company” or “Morgan”) believes in creation of long term value of its shareholders vis-à-vis maintaining the desired liquidity for short and longer term investment of the Company equally protecting the interest of its customers, debtors, suppliers, employees and the Government.

The Board of Directors of the Company in view of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has decided to formalise Dividend Distribution Policy of the Company and that to assist investors to understand the Morgan philosophy in distribution of dividend and to meet their investments objective.

## **2. FORMS OF DIVIDEND**

### **2.1 Interim Dividend**

The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results. This would be in order to supplement the annual dividend or to reward shareholders in exceptional circumstances.

#### **2.1.1 Special Dividend\***

The Board of Directors at their own discretion may declare the special dividend in the event of exceptional financial performance, asset sale, changes in financial structure or in any other windfall event of the Company. The said dividend may be declared and paid subject to provision of Companies Act, 2013 and rules framed thereunder.

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## **2.2 Final Dividend**

The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

## **3. QUANTUM OF DIVIDEND AND DISTRIBUTION**

The Board of Directors before declaration of dividend on equity shares broadly review the financial performance of the Company during the year, capital investment requirement in coming year, similar market-size Company, general economy trend, materiality of any event occurred and its future business strategy plan etc. In line with the previous year practice, the dividend payout ratio is expected to grow in accordance with the profitable growth of the Company under normal circumstances. The Board of Directors of the Company will endeavour to achieve distribution of profits between 10 to \*50 per cent on standalone basis subject to annual review by the Board of Directors.

### **3.1 Factors for determining dividend**

In determining Company's dividend payout, the Board of Directors would consider a variety of factor, including -

#### **A. Internal Factor**

- Net profit of the Company
- Projected Cash Flow for next three financial years with special emphasis on Company's working Capital and Capital expenditure requirements.

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- Liquidity projections for next three financial years.
- Rate of growth in net profits and turnover during the preceding three financial years.
- Such other parameters as may be considered appropriate by the Board of Directors from time to time.

B. External Factor

- Government policies and regulatory provisions
- Industry's average Dividend payout and shareholder's expectation.
- Industry outlook and performance of manufacturing and other sectors
- Economic Environment

**4. DECLARATION OF DIVIDEND**

Dividend shall be declared or paid only out of –

I. Current financial year's profit:

a) after providing for depreciation in accordance with law;

b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion;

II. The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or

III. Out of I & II both.

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## **5. AMENDMENT AND MODIFICATION**

5.1 This policy would be subject to amendment in accordance with guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised from time to time. Any such regulatory amendment, not being consistent with this policy, shall prevail by the notified provisions hereunder.

5.2 The Board of Directors of the Company reserves the right to alter, modify or amend any provisions of this policy.

## **6. DISCLAIMER**

- The Company shall place this policy on its website and shall also disclose the same in its Annual Report.
- This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

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