

DIVIDEND DISTRIBUTION POLICY

MORGAN VENTURES LIMITED

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1. OBJECTIVE:

The objective of this Policy is to lay down the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend to its shareholders for a financial year. Dividend for the purpose of this Policy shall include Interim Dividend.

2. REGULATORY FRAMEWORK:

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

3. PARAMETERS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING DIVIDEND:

The Board of Directors of the Company shall generally consider the following parameters while declaring or recommending dividend to shareholders:

Financial Factors:

- Current year's profit arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder; and / or
- Profit from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Fund requirements to finance the working capital needs of the business;
- Fund requirements to meet expense to upgrade and maintain the infrastructure of the Company;
- Investment opportunities in subsidiaries / associates / joint ventures, mergers and acquisitions;
- Optimal free cash to fund any exigencies, if any;
- Any other relevant factors or events.

4. Internal / External Factors:

- Internal factors such as business expansion plan, investment plans, contractual restrictions, or other strategic priorities as may be considered prudent by the Board;
- External factors such as market conditions, macro-economic environment,

competition intensity, technological changes, regulatory changes, adherence to requirements stipulated under the regulations formulated by the Securities and Exchange Board of India, the Companies Act, 2013 and rules thereunder, as amended from time to time, taxation;

- any other factors or events considered relevant by the Board.

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

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and LODR Regulations. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

Dividend for any financial year shall generally be paid once a year, out of net profit earned during the said year. However, the Board may at its discretion, declare interim dividend and may also declare dividend out of retained earnings.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital due to circumstances or factors such as adverse market conditions, business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, regulatory / market exigencies, changing regulations, etc.

The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this Policy.

6. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The profits earned by the Company can either be retained in the business and used for various purposes as outlined below or it can be distributed to the shareholders.

- Fund requirements to maintain Net Worth of the Company as prescribed by regulators from time to time;
- Fund requirements to finance the working capital needs of the business;
- Fund requirements to meet expense to upgrade and maintain the infrastructure of the Company;
- Fund requirements for development / enhancement of products and services;
- Fund requirements to maintain and improve security of client data and transactions;
- Investment opportunities in subsidiaries / associates / joint ventures, mergers and acquisitions;
- Optimal free cash to fund any exigencies, if any;
- Any other relevant factors or events.

7. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES.

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

8. DISCLOSURE

This policy shall be uploaded on the website of the Company and a web-link shall also be provided in the annual report of the Company.

9. AMENDMENT AND CONFLICT

The adequacy of this Policy shall be reviewed and reassessed periodically, based on the changes that may be brought about due to any regulatory amendments or otherwise.

In the event of any conflict between the provisions of this policy and of the Companies Act, 2013 and the LODR Regulations, or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules etc. including any amendments/modifications thereto shall prevail over this Policy.