RATNAKAR SECURITIES LIMITED

[Formerly Known as Mangalya Soft-Tech Limited]

CIN - L66120GJ1992PLC017564
Regd. Office- Shop-304, "Sankalp Square-2", Nr. Delux Appartment,
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Dividend Distribution Policy

Document Information

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Approved By	**Board of Directors of Ratnakar Securities Limited (Formerly Known as Mangalya Soft-Tech Limited)**

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Dividend Distribution Policy

As **Ratnakar Securities Limited (Formerly Known as Mangalya Soft-Tech Limited)** enters a phase of stable growth, with consistent profitability and improving cash flows, it is proposed that the Company adopt a **Progressive Dividend Policy** to provide long-term value to shareholders while maintaining financial flexibility.

1. Objective

This Dividend Distribution Policy (hereafter referred as "Policy") lays down a broad framework which will act as the set of guiding principles for the purpose of recommending or declaring any dividend during or for any financial year by the Company.

The Policy aims at balancing the twin objectives of the growth of the Company and Shareholders' value. Through this Policy, the Company endeavors to bring a fair, transparent and consistent approach to its dividend pay-out plans. The Policy has been framed, broadly, in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by SEBI/ RBI/and other regulations, to the extent applicable.

2. Rationale for a Formal Dividend Policy

- To demonstrate financial discipline and predictability in capital returns to shareholders.
- To comply with SEBI (LODR) Regulation 43A, which mandates the top 1000 listed entities by market capitalization to disclose a dividend distribution policy.
- To align with best practices in governance, transparency, and shareholder communication.
- Although the Company is currently outside the top 1000 listed entities, proactively adopting such a policy enhances credibility and positions the Company for future readiness.

3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend. The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

5. Circumstances under which shareholders can expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year. Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

a) Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.

b) Significantly higher working capital requirements adversely impacting free cash flow.

c) Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital.

d) In the event of inadequacy of profit or whenever the Company has incurred losses.

6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations.
- The Company's liquidity position and future cash flow needs.
- Track record of Dividends distributed by the Company.
- Payout ratios of comparable companies.
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution.
- Capital expenditure requirements considering the expansion and acquisition opportunities.
- Cost and availability of alternative sources of financing.
- Stipulations/ Covenants of loan agreements.
- Macroeconomic and business conditions in general.
- Providing of unforeseen event and contingency with financial implications.
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

7. **Utilisation of Retained Earnings**

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company

8. Modification of the Policy

The Board of Directors is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.