



## **IMAGICAAWORLD ENTERTAINMENT LIMITED**

### **DIVIDEND DISTRIBUTION POLICY**

#### **BACKGROUND**

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires top 1000 listed entities based on their market capitalisation calculated on March 31 of every financial year to formulate Dividend Distribution Policy. The Company being amongst top 1000 listed entities based on aforesaid criteria for the year ended March 31, 2023, has framed the Dividend Distribution Policy ("Policy") which will be effective from the date of adoption of the same by the Board of Directors.

#### **OBJECTIVE**

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company and does not cover dividend on preference shares, if any, where the rate of dividend is governed by the terms of the issue of preference shares or any other form of dividend.

#### **PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND**

The Board of Directors may declare interim dividend / recommend final dividend for consideration of shareholders of the Company.

Subject to the provisions of applicable laws, the Company's dividend pay-out will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder.

The Board of Directors of the Company will consider the following parameters while recommending / declaring Dividend:

#### **General Parameters:**

1. The Company shall ensure that distribution of dividend protects the rights of minority shareholders.
2. The Board shall not recommend dividend if it is of the opinion that it is financially not prudent to do so.

**Financial and Internal Parameters:**

1. Standalone net operating profit after tax;
2. Cash flow position of the Company and liquidity position
3. Accumulated Reserves
4. Loan repayment and Working Capital requirements
5. Deployment of funds in short term marketable investments
6. Capital expenditure requirements
7. Earnings Stability
8. Past Dividend trends, if any
9. Future cash requirements for organic growth/expansion and/or for inorganic growth
10. Long Term Investments
11. Cash flow required to meet contingencies
12. Agreements with lending institutions/ Bondholders/Debenture Trustees, if any
13. Any other factors as deemed fit by the Board of Directors

**External Factors:**

1. Regulatory restrictions, if any and the prevalent statutory requirements
2. Provisions of Tax laws governing dividend
3. Cost of raising funds from alternative sources is significantly higher
4. Economic environment and state of the capital markets
5. Any other factor that has a significant influence / impact on the Company's working / financial position of the Company

**CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The Board shall consider the parameters and factors provided above before declaring any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company. However, the shareholders of the Company may not expect Dividend under the following circumstances:

1. In the event of inadequacy of profits or whenever the Company has incurred losses
2. Significant cash flow requirements towards higher working capital requirements / tax demands / or others , adversely impacting free cash flows
3. An impending / ongoing capital expenditure program or any acquisitions or investment or joint ventures requiring significant allocation of capital
4. Allocation of cash required for buy-back of securities
5. Any of the above referred internal or external factors restraining the Company from considering dividend

## **UTILIZATION OF RETAINED EARNINGS**

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

## **PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The Company has only one class of equity shareholders. However, in case Company issue different class of equity shares any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

## **PROCEDURE**

1. The Chief Financial Officer (CFO) after considering the parameters mentioned above and in consultation with the Managing Director (MD) / Chief Executive Officer (CEO) may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
2. The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
3. The final dividend recommended by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting.
4. The interim dividend declared by the Board requires confirmation by the shareholders in the ensuing Annual General Meeting.
5. In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and Regulations from time to time.

## **DISCLOSURE**

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## **AMENDMENTS**

1. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority, from time to time, on the subject matter.
2. The Board reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
3. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Approved by: the Board of Directors of Imagicaaworld Entertainment Limited

Approved on: May 26, 2023

Effective date: May 26, 2023