



## Dividend Distribution Policy

### 1. Background and Applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) require the top 500 listed companies (by market Capitalization) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors (“**Board**”) of Country Club Hospitality & Holidays Limited (CCHHL) (“**Company**”) has adopted this Dividend Distribution Policy to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

### 2. Dividend Distribution Philosophy

The Company is committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

### 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. 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;

## **5. 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.

## **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. Utilization of retained earnings**

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.,
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

## **8. Modification of the Policy**

The Management Committee of the Board of Directors is authorised 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.

## **9. Disclaimer**

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.