

KAMAT HOTELS (INDIA) LIMITED
CIN: L55101MH1986PLC039307,
Regd. Office: 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East),
Mumbai -400 099.
Tel. No. 022-26164000, Website: www.khil.com, Email: cs@khil.com

DIVIDEND DISTRIBUTION POLICY

1. LEGAL MANDATE AND MOTIVE OF THE POLICY –

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 listed companies, based on Market Capitalization of every financial year, are required to formulate a Dividend Distribution Policy. Although the Company is not being the part of the top 1000 listed companies, yet as good governance practice and robust corporate compliance it has formulated and adopted this policy in compliance of the SEBI LODR Regulations, 2015.

The motive of this Policy is to make it certain that there exist proper and adequate balance between the quantum of Dividend paid and amount of profits retained in the business for different motives and provide guidance to the Board members while recommending dividends to its shareholders at various point of time in the respective financial year.

2. POINTS TO BE PONDERED ON DIVIDEND DECLARATION-

It has been the principle of the Company is to optimize the stakeholders' wherewithal in the Company and the members of the Board will take into account the following points while recommending dividend to its members:

Fiscal considerations:

- Consolidated Operating Profit after Tax;
- Free Cash Flows;
- Working Capital requirements;
- CAPEX Plans /requirements;
- Acquisitions and/or Diversification Plans;
- Cash Flow required for Contingencies;
- Borrowings;
- Past Dividend Trends; and
- Assessment of Dividend Impact on Credit Rating & other consequential factors

Non- fiscal considerations:

- Interest rates;
- Taxation on distribution of dividend; and
- Dividend Payout Ratios of comparable companies/ Companies in same industry.

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Use of withheld earnings:

Under abnormal circumstances, the Company may take into account declaring dividend out of profits of previous years or free reserves, after taking into consideration the canons laid down in this policy.

Conditions under which members may be deprived of the dividend:

In case if the Company intends to undertake a meaningful expansion in hospitality segment/CAPEX; Mergers, Acquisitions or Joint Ventures; buy-back of securities or any such eventualities which requires higher capital allocation or due to inadequate profits or incurring of losses.

Classes of shares -

At present, the Company has issued only equity shares and this policy shall be applicable to dividend on equity shares. Going forward, when the Company may issue other classes of shares, the Board shall suitably amend this policy and adopt the new policy.

3. GENERAL STATEMENT -

This Policy is subject to any amendments/revisions as per the guidelines that may be issued by Stock exchanges or Ministry of Corporate Affairs or Securities Exchange Board of India or amendments in Companies Act, 2013, from time to time;

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy, as it may deem fit; in part or repeal the same by adopting proper course of action &

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 with proper authority being board or any committee thereof.