

PRIDE HOTELS LIMITED

DIVIDEND DISTRIBUTION POLICY

(Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015)

INTRODUCTION

This Dividend Distribution Policy ("Policy") has been formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time.

The objective of this Policy is to provide guidance to the Board of Directors of **Pride Hotels Limited** ("the Company") in the matter of declaration of dividend and to maintain a balance between distributing profits to shareholders and retaining profits for future growth.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

Dividends may be declared:

- When the Company has sufficient distributable profits under the Companies Act, 2013.
- After considering current and projected financial performance, cash flow position, and future capital needs.

Dividends may **not** be declared:

- In case of losses or inadequate profits.
- When significant funds are required for capital expenditure, expansion, debt reduction, acquisitions, or strategic investments.
- In case of adverse market conditions, legal restrictions, or unforeseen contingencies.

FINANCIAL PARAMETERS CONSIDERED FOR DIVIDEND DECLARATION

The following financial parameters will be considered:

- Net profit after tax as per financial statements.
- Free cash flow available.
- Profitability ratios and return on equity.
- Working capital requirements.
- Earnings per share (EPS).
- Past dividend payout trends.
- Debt-equity ratio and other financial covenants.

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INTERNAL AND EXTERNAL FACTORS AFFECTING DIVIDEND DECLARATION

Internal Factors:

- Business cycle and internal growth plans.
- Capex and investment requirements.
- Liquidity and cash flow position.
- Contingent liabilities.

External Factors:

- Economic environment and industry trends.
- Taxation policies and government regulations.
- Market volatility and inflation.
- Restrictions under any contractual obligations.

UTILIZATION OF RETAINED EARNINGS

Retained earnings may be used for:

- Funding expansion and growth.
- · Strengthening the balance sheet.
- Debt servicing or reduction.
- Contingency planning and risk mitigation.
- Any other purposes permitted under applicable laws.

AMENDMENT OR REVIEW OF POLICY

The Board of Directors may amend, review, or modify this Policy, as and when required, in accordance with applicable laws and business requirements.

