



Barbeque-Nation Hospitality Limited

***(Registered Office: "Saket Callipolis", Unit No. 601 & 602,
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Road, Bengaluru-560035, Karnataka, India)***

DIVIDEND DISTRIBUTION POLICY

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(The policy for Declaration/Distribution of Dividend by the Company)

1. PURPOSE AND APPLICABILITY

In compliance with the provisions of the Companies Act, 2013 and rules made thereunder (the "Act") and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Memorandum & Articles of Association of the Company, as amended from time to time, and other applicable laws/rules/regulations (including any statutory modifications or re-enactments thereof), the Board of Directors (the "Board") of Barbeque-Nation Hospitality Limited ("Barbeque" or the "Company") has adopted the Dividend Distribution Policy (the "Policy") at its Meeting held on 28th March 2022.

This Policy provides guidance for declaration of dividend and its pay-out by the Company. The Board of Directors (the "Board") will consider the Policy while declaring / recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for recommending/declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2. CONCEPT OF DIVIDEND

Dividend is the distribution of profit by a Company to its shareholders. The profits earned by the Company can either be retained in the business for various purposes or can be distributed among the shareholders as Dividend. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business.

3. TYPES OF DIVIDENDS

There are 2 types of Dividend:

a) Interim Dividend

Interim dividend is the dividend declared by the Board between two Annual General Meetings as and when considered appropriate. The Board shall have the absolute power to declare interim dividend, as and when deemed fit, subject to the applicable laws.

b) Final Dividend

The final dividend is recommended and paid for the financial year at the time of approval of annual financial statements. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

4. BASIS FOR DECLARATION OF DIVIDEND

The dividend shall be declared on per share basis only.

5. DECLARATION OF DIVIDEND

A. in case of adequate profit

Dividend shall be declared or paid only out of:

- a) Profits of the Company for the year for which the dividend is to be paid after setting-off of carried over previous losses and depreciation not provided in the previous year(s); or
- b) profits of the previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or
- c) Out of (a) and (b) both.

For the purpose of declaration of dividend, depreciation shall be provided in accordance with the provisions of Schedule II of the Act.

B. in case of inadequate/absence of profit

In case of inadequacy or absence of profits in any financial year, the Company may also declare/ pay Dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, provided such declaration/ payment of dividend shall be made only in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, and other applicable laws.

6. PAYMENT OF DIVIDEND

The Dividend once declared or approved will be paid/distributed within the statutory period of time as stimulated by the applicable laws.

7. FINANCIAL PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

The Board of Directors shall endeavour to take a decision for Dividend Distribution with an objective to enhance shareholders value. However, the decision regarding pay-out is subject to several parameters and factors which forms part of this Policy.

The financial parameters that may be considered before declaring dividend, *inter-alia* includes profitability, cash balance & cash flow, Company's present and future performance, future outlook of the company, and others.

8. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Shareholders of the Company may expect dividend only if the Company is having surplus profits after providing for all expenses, depreciation and other necessary deductions and after complying with all other statutory provisions of the Companies Act, 2013 and other applicable laws. The internal and external factors specified below shall be a crucial factor for taking a dividend declaration decision and determining the dividend distribution amount.

The Equity Shareholders of the Company may not expect dividend, if the Company does not have surplus funds after providing for all expenses, depreciation, or other necessary deductions and after complying all other statutory provisions of the Companies Act, 2013 and other applicable laws. Also, the equity shareholders of the Company may not expect dividend, if the internal and external factors specified below warrant full retention of the

surplus profit. The company may not be able to declare dividend, including but not limited to, for the following reasons.

- a. Due to operation of any other law for the time being in force;
- b. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- c. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders;
- d. Uncertainty of the earnings/ financial results of the Company;
- e. The availability of opportunities for reinvestments of surplus funds; and
- f. Any other corporate action resulting in cash outflow.

The Board may consider recommending a lower pay-out for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

9. FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Company shall consider the following factors while declaring any Dividend. The factors enumerated below are not exhaustive, there may be other factor(s) which may affect the declaration of Dividend.

A. External Factors:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company Any political, tax and regulatory changes in the geographies in which the Company operates.
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model.
- Any changes in the competitive environment requiring significant investment.

B. Internal Factors:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which, *inter-alia*, will include:

- Expected cash requirements of the Company including working capital, capital expenditure
- Quarterly and Annual financial results
- Investments including Mergers and Acquisitions (M&A)
- Free cash flow generation
- Buy-back of shares
- Funds required to service any outstanding loans;

10. UTILISATION OF RETAINED EARNINGS

The retained earnings of the Company will be utilized for the following:

- a) Organic and/ or inorganic growth
- b) Merger/Acquisition/Diversification of business
- c) Funding for Capital Expenditure/expansion plans
- d) Working capital
- e) Declaration of dividend
- f) Capitalisation of shares
- g) Buy back of shares
- h) Modernisation Plan
- i) General corporate purposes, including contingencies
- j) Any other permitted usage as permitted by the Companies Act, 2013 or any other applicable laws

11. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Currently, the Company has only one class of equity shares and follows the principle of 'one share, one vote'. In future, if the Company has more than one class of shares, dividend for each class of shares would be subject to the applicable statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

12. REVIEW & AMENDMENT

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be necessary and expedient taking into account the applicable laws for the time being in force.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

13. DISCLOSURES AND DISCLAIMER

This policy will be hosted on website of the Company and web link thereto will be provided in the Annual Report.

The Policy shall not be construed as a solicitation for investments in the Company's securities and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.