

DIVIDEND DISTRIBUTION POLICY

1. Introduction

From time to time, Sinclairs Hotels Limited has been meeting its capital requirements through internal accruals and consistently distributing surplus cash to stakeholders through annual dividends. While adhering to this core philosophy of rewarding the stakeholders, Sinclairs is hereby publishing a formal Dividend Distribution Policy in accordance with Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

2. Target Dividend Payout

- I. Dividend will be declared out of current year's profits after tax of the Company
- II. Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.
- III. 'Other comprehensive Income' (as per the applicable Accounting Standards) which mainly comprises of unrealised gains/losses, will not be considered for the purpose of declaration of dividend.

3. Dividend distribution

In distributing the profits of the Company among stakeholders, the Board will seek to balance member's need for a reasonable and predictable return on their investment with the Company's funding requirements for longer-term growth.

The financial factors that may be considered by the Board in arriving at the decision include, without limitation, the following:

Internal factors	External factors
<ul style="list-style-type: none"> ▪ Net profit generated ▪ Cash balance and cash flow ▪ Current and future capital requirements: <ul style="list-style-type: none"> ○ Business Expansion/Modernisation ○ Mergers and Acquisitions 	<ul style="list-style-type: none"> ▪ Economic conditions ▪ Financing costs ▪ Government regulations ▪ Taxation Policies

After meeting the internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavour to distribute the rest of the free cash generated to stakeholders through dividends.

4. Utilization of retained earnings

Retained earnings will be used for the Company's growth plans, working capital requirements, mergers and acquisitions and other contingencies.

5. Circumstances under which Dividend may not be paid

Some conceivable circumstances under which the stakeholders may or may not expect dividend are: adverse market conditions and business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, changing government regulations, etc.

6. Policy review

This policy would be subject to revision / amendment on a periodic basis as may be necessary.

7. Disclosure

The Policy shall be disclosed on the website of the Company (www.sinclairsindia.com)