



Sammaan Capital Limited
(Formerly known as Indiabulls Housing Finance Limited)

(CIN: L65922DL2005PLC136029)

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Dividend Distribution Policy
(Reviewed and Approved by the Board at its meeting on 16.05.2025)

Objective

This policy establishes the criteria to be considered by the Board of Directors in recommending dividend to equity shareholders of Sammaan Capital Limited (formerly known as Indiabulls Housing Finance Limited) ("SCL") ("the Company").

The policy is framed under the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015, and RBI Guidelines on Declaration of dividends by NBFCs.

Parameters to be considered before recommending dividend

The Board of Directors shall *inter alia* consider the following before recommending dividend:

Statutory and Regulatory Guidelines/Policies

The Company shall declare dividend only after ensuring compliance with pertinent regulations and directives of the Reserve Bank of India; provisions of Companies Act 2013 and rules made thereunder; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; RBI Guidelines on Declaration of dividends by NBFCs and any other regulations as may be applicable from time to time.

Board Oversight

The Board of Directors shall, take into account the following aspects:

- Financial Performance of the Company
- Shareholder expectations
- Long term growth plans of the Company and capital requirements
- Supervisory findings of the Reserve Bank Of India (RBI) on divergence in classification and provisioning for Non-Performing Assets (NPAs)

As mandated by RBI Guidelines on Declaration of dividends by NBFCs, the Board shall recommend dividend if the Company meets the following minimum prudential requirements:

1. **Capital Adequacy Ratio (CRAR):** The CRAR of the Company, consisting of Tier 1 & Tier 2 capital shall not be less than
 - 13% as on March 31, 2020;
 - 14% on or before March 31, 2021; and
 - 15% on or before March 31, 2022 and thereafter

of its aggregated risk weighted assets and of risk adjusted value of off-balance sheet items.

Tier 1 Capital is not less than 10% and Tier 2 Capital does not exceed 100% of Tier 1 Capital

2. **Net NPA:** The net NPA ratio is less than 6% in each of the last 3 years, including as at the close of the financial year for which dividend is proposed to be declared
3. The Company should be in compliance with the provisions of
The dividend payout ratio shall be subject to a limit of 50%.

The above dividend payout ratio shall be calculated as 'Dividend payable in a year' to 'net profit during the year'.

While calculating the 'net profit during the year', the Company shall adjust the net profit by the amount determined as impact on net profit, in case of qualification by auditors. Also, the net profit shall exclude any extraordinary profits/ income.

In addition to the above, the Board of Directors shall inter alia consider the following parameters before recommending dividend:

Financial parameters and other internal factors

- Growth in loan assets;
- Net worth, net owned funds and accumulated reserves;
- Funding and liquidity considerations;
- Profits of the current period;
- Profitability outlook for the next two to three years;
- Return on assets and return on equity;
- Earnings per share;
- Liquidity ratios;
- Asset quality;
- Provisioning levels and provision requirements;
- Outlook on portfolio quality;
- Business expansion and growth;
- Capital expenditure;
- Upgradation of technology and physical infrastructure;
- Creation of contingency fund;
- Acquisition of brands and businesses;
- Compliance with terms and covenants in any agreement entered into by the Company with its lenders/ debenture trustees;
- Other factors and/or material events which the Board may consider.

External Factors

- Shareholder expectation;
- Macroeconomic conditions;

- Outlook for the housing sector;
- Competitive landscape;
- Taxation provisions;
- Government policies.

Circumstances under which shareholders may or may not expect dividend

The Board may not recommend any dividend if one or more of the criteria for recommendation of dividend is not fulfilled by the Company, including any regulatory restriction placed on the Company on declaration of dividend, or if the Board is of the opinion that it would be prudent to conserve capital for growth or other exigencies, which shall be stated by the Board.

Utilization of Retained Earning

Retained earnings shall be utilised in accordance with prevailing regulatory requirements; creating reserves for specific objectives; fortifying the balance sheet against contingencies; generating higher returns for shareholders through reinvestment of profits for future growth and expansion; and any other specific purpose as approved by the Board of Directors of the Company.

The Company shall endeavour to utilise retained earnings in a manner that shall be beneficial to both the interests of the Company and its stakeholders.

Dividend and classes of shares

The Board may declare interim or recommend final and/or special dividend as may be permitted under the Companies Act, 2013 or any amendment, modification, variation or re-enactment thereof.

Currently, the Company does not have any other class of shares (including shares with differential voting rights) other than equity shares. In the absence of any other class of shares and/or shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for equity shareholders.

Conflict in Policy

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

Amendments

To the extent any change/amendment is required in terms of applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be suitably modified to make it consistent with the law.

Review of Policy

The Board shall review the Dividend Distribution Policy of the Company periodically.

Disclosure of Policy

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company website, www.Sammaancapital.com