

Indiabulls HOUSING FINANCE

INDIABULLS HOUSING FINANCE LIMITED

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Dividend Distribution Policy

Objective

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

The policy is framed under the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015.

The Company has had a consistent dividend policy balancing shareholders remuneration; Company's growth plan; and interests of all stakeholders.

Parameters to be considered before recommending dividend

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

Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with pertinent regulations and directives of National Housing Bank; provisions of Companies act 2013 and rules made thereunder; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; and any other regulations as may be applicable from time to time.

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;
- Capital adequacy ratios;
- 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 criterion 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.indiabullshomeloans.com.