



Truhome Finance Limited

(Formerly Shriram Housing Finance Limited)

DIVIDEND DISTRIBUTION POLICY

I. BACKGROUND

Dividend Distribution Policy is formulated in accordance with the provisions of the Companies Act, 2013. In case of listed companies, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration relating to non-payment of dividend. The policy is drawn in line with the requirements of Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025 dated November 28, 2025 (“RBI Master Direction”). Further, Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), mandates the top one thousand listed entities, based on market capitalization at the end of the calendar year (i.e., 31st December) basis of their average market capitalisation from 1st July to 31st December of that calendar year, to formulate a Dividend Distribution Policy and disclose the same on the website of the listed entity, with a web-link thereto provided in the Annual Reports.

II. OBJECTIVE:

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of Truhome Finance Limited (“the Company”) while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company. The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

III. DEFINITIONS

“**Applicable Laws**” shall mean the Companies Act, 2013 and the rules made thereunder, including Section 24 thereof relating to administration of dividend provisions by the Securities and Exchange Board of India in case of listed companies, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 43A thereof and the circulars issued thereunder, the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025 dated November 28, 2025, and such other acts, rules, regulations, circulars or directions as may be applicable in relation to declaration and distribution of dividends, as amended from time to time.

“**Board**” or “**Board of Directors**” means the board of the directors of the Company.

“**Companies Act**” means the Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

“**Company**” means Truhome Finance Limited.

“**Dividend**” Under Section 2(35) of the Companies Act, 2013, “Dividend” includes any interim dividend. In common parlance, “dividend” means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

“**Financial Year**” means the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Policy**” shall mean this Dividend Distribution Policy of the Company.

Words and expressions used and not defined in this Policy but defined in the Companies Act, Listing Regulations or other Applicable Laws shall have the same meaning respectively assigned to them in those Applicable Laws.

IV. PURPOSE AND SCOPE

Regulation 43A of the Listing Regulations mandates framing of a dividend distribution policy by the top 1,000 listed companies, based on market capitalisation.¹

In view of the said requirement, the Board recognises the need to lay down a broad framework with regard to distribution of dividend to its shareholders and utilisation of the retained earnings. This Policy reflects the intent of the Company to reward its shareholders by declaring dividend, and seeks to establish the parameters (including internal and external factors) to be considered by the Board before declaring or recommending dividend.

The Policy, in the interest of providing transparency to the shareholders, sets out the circumstances and different factors for consideration by the Board at the time of deciding on distribution or retention of profits.

The Company will strive to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes, and to maintain a consistent approach to dividend pay-out plans. The Board will have regard to this Policy while declaring/recommending dividends on behalf of the Company.

The Policy shall become effective from the date of its approval by the Board.

¹ **43A.** (1) The top 1000 listed entities based on market capitalization shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

(2) The dividend distribution policy shall include the following parameters: (a) the circumstances under which the shareholders of the listed entities may or may not expect dividend; (b) the financial parameters that shall be considered while declaring dividend; (c) internal and external factors that shall be considered for declaration of dividend; (d) policy as to how the retained earnings shall be utilized; and (e) parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

(3) The listed entities other than those specified at sub-regulation (1) of this regulation may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

V. CRITERIA AND PARAMETERS FOR DECLARATION OF DIVIDEND:

Dividend for any financial year shall ordinarily be declared out of the profits of the Company for that year, after providing for depreciation in accordance with the provisions of the Companies Act, 2013 and other applicable laws. If circumstances require, the Board may also declare dividend out of the accumulated profits of any previous financial year(s), subject to compliance with the applicable provisions of the Companies Act, 2013 and relevant regulations. The Company shall utilise its retained earnings in a manner that is aligned with the long-term interests of the Company and its stakeholders, including, inter alia, meeting future business growth and expansion requirements, supporting strategic initiatives, maintaining financial stability or such other purposes as may be determined by the Board from time to time in the best interest of the Company and its stakeholders.

VI. INTERIM AND FINAL DIVIDEND:

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting

VII. PARAMETERS FOR VARIOUS CLASSES OF SHARES:

At present, the Company has only one class of shares, namely equity shares and does not have any other class of shares, including shares with differential voting rights. Accordingly, in the absence of any other class of shares with differential voting rights, the entire distributable profit available for declaration of dividend shall be considered for distribution to the equity shareholders.

VIII. DIVIDEND DISTRIBUTION

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

The decision regarding dividend payout is an important decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in the business. Hence, the shareholders of the Company may expect dividend only if the Company has adequate profits after complying with all other statutory requirements under Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- (a) in case of inadequacy of profits or whenever the Company has incurred losses;
- (b) in case the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- (c) in case the Company undertakes any acquisitions or joint arrangements requiring significant allocation of capital;
- (d) in case of significantly higher working capital requirement affecting free cash flow;
- (e) in case the Company proposes to utilise surplus cash for buy-back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- (f) in case the Company is prohibited to recommend/declare dividend by any regulatory body.

B. FINANCIAL AND OTHER PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial/internal parameters while declaring or recommending dividend to shareholders:

- (a) Profits earned and available for distribution by the Company;
- (b) Accumulated reserves of the Company including retained earnings;
- (c) Company's liquidity position including its present and expected obligations;
- (d) Expected future capital expenditure requirements of the Company including organic/inorganic growth opportunities;
- (e) Long term investments proposed, capital restructuring, debt reduction, etc.;
- (f) Cost of raising funds from alternate sources;
- (g) Crystallisation of contingent liabilities of the Company;
- (h) Profit earned under consolidated financial statements;
- (i) Past dividend trends of the Company and the industry;
- (j) Financial commitments of the Company with respect to the outstanding borrowings and interest thereon;
- (k) Current and projected cash balances of the Company;
- (l) Other corporate action options available to the Company (including bonus issue, buy-back of shares, etc.); and
- (m) Any other relevant factors and material events.

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- (a) **Macro-economic environment** - Significant changes in the macro-economic environment materially affecting the industry and geographies in which the Company operates;
- (b) **Regulatory changes** - Introduction of new regulatory requirements or material changes in existing taxation or regulatory regime (including dividend distribution tax), which significantly affects the Company's operations or finances;
- (c) **Technological changes** – Significant changes which necessitate new investments in any of the businesses in which the Company is engaged; and
- (d) Any other relevant factors and material events, including statutory and contractual restrictions.

C. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

Entitlement: The Dividend shall be paid to the shareholders entitled to receive Dividend on the record date/book closure date as per Applicable Laws.

Timelines: The payment of dividend shall be made within the time prescribed under the Companies Act, 2013. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of interim dividend and within 30 days from the declaration by the shareholders in the annual general meeting of the Company in case of final dividend.

IX. RATE/QUANTUM OF DIVIDEND

It has always been the Company's endeavour to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business, to the shareholders, in the form of dividend. The Company shall maintain a dividend pay-out as may be determined by the Board from time to time, considering the general business factors and other significant parameters specified in this Policy.

X. TREATMENT OF UNPAID DIVIDEND AND TRANSFER TO IEPF:

All unpaid dividend shall be treated in accordance with Section 124 of the Companies Act, 2013 and other applicable laws. In case if the dividend has not been claimed by any shareholder within 30 days from the date of declaration, then the bank shall within 7 days from the expiry of 30 days transfer the unclaimed dividend to a separate account (Unpaid Dividend Account) opened by the bank. Any money that is transferred to the unpaid dividend account remains unclaimed for a period of 7 years from the date of the transfer shall be transferred to the Investor education protection fund.

XI. BOARD OVERSIGHT - DECLARATION OF DIVIDENDS:

The Reserve Bank shall not have placed any explicit restrictions on declaration of dividend. However, the Board of Directors, while considering the proposals for dividend, shall take into account each of the following aspects:

- i. Supervisory findings of the Reserve Bank/NHB on divergence in classification and provisioning for Non-Performing Assets (NPAs).
- ii. Qualifications in the Auditors Report to the financial statements.
- iii. Long term growth plans of the HFC
- iv. Risk appetite for leverage ratio

XII. ELIGIBILITY CRITERIA

The Company shall comply with the following minimum prudential requirements, as prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025, to be eligible to declare dividend:

Sr. No.	Parameter	Requirement
1	Capital Adequacy	The Company shall have met the applicable regulatory capital requirement as prescribed under the RBI Master Direction for each of the last three financial years, including the financial year for which the dividend is proposed.
2	Leverage Ratio	The leverage ratio of the Company shall not exceed seven at any point of time, or such other limit as may be prescribed by the Reserve Bank of India from time to time.
3	Net NPA Ratio	The net Non-Performing Assets (NPA) ratio shall be less than

Sr. No.	Parameter	Requirement
		6% in each of the last three financial years, including as at the close of the financial year for which dividend is proposed to be declared.
4	Compliance with Other Regulatory Requirements	(a) The Company shall comply with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.(b) The Company shall be compliant with all applicable regulations, guidelines and directions issued by the Reserve Bank of India from time to time.
5	Dividend Pay-out Ratio	(a) There shall be no ceiling on dividend pay-out ratio for eligible NBFCs that do not accept public funds and do not have customer interface, subject to compliance with applicable RBI Directions.(b) In other cases, the Company may declare dividend up to a maximum dividend pay-out ratio of 50%, subject to compliance with eligibility criteria specified above and applicable RBI Directions.(c) The Board shall ensure that the total dividend proposed for any financial year does not exceed the limits prescribed under applicable RBI Directions, as amended from time to time.

XIII. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Applicable Laws, the provisions of Applicable Laws shall prevail.

XIV. REVIEW/AMENDMENT

The Board is authorised to change/ amend this policy from time to time at its sole discretion and/ or subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised, from time to time.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this policy. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

XV. DISCLOSURE

The Policy shall be disclosed on the website of the Company and a web-link shall also be provided in its annual report. If Company proposes to declare dividend on the basis of parameters in addition to the ones listed in this Policy or proposes to change such additional parameters or the Policy, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

Sign-off History

Version Number	Sign-off Details	Name	Sign-off Date
1.0	Prepared By	Secretarial Team	24.02.2026
	Reviewed By	Gauri Shankar Agarwal	25.02.2026
	Recommended By	Audit Committee	02.03.2026
	Approved By	Board of Directors	04.03.2026