



DIVIDEND DISTRIBUTION POLICY

OF

SATIN CREDITCARE NETWORK LIMITED

(VERSION – 1.0)

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Approver	Board of Directors
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Policy Owner	Secretarial Department

Version History:

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Version 1.0	14.06.2021	Secretarial	Original	Board of Directors

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND, APPLICABILITY AND EFFECTIVE DATE

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated May 5, 2021 (“Listing Regulations”), which requires top 1,000 listed companies based on market capitalization (calculated as on March 31st of every Financial Year) to formulate a Dividend Distribution Policy which shall be disclosed on the website of the Company and a web-link shall also be provided in the Company’s Annual Report.

Satin Creditcare Network Limited (the “Company”) being one of the top 1,000 listed company as per the criteria mentioned above and with an endeavour to maintain a consistent approach to dividend pay-out plans, the Board of Directors (‘Board’) of the Company has approved and adopted this Dividend Distribution Policy (the “Policy”) at its meeting held on June 14, 2021, being the effective date of the Policy.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to:

- (i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;
- (ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and
- (iii) provide for the manner of utilization of retained earnings.

3. THE POLICY SHALL NOT APPLY TO

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders
- Issue of Bonus shares by the Company
- Buy back of securities

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

4. DIVIDEND DISTRIBUTION PHILOSOPHY

Dividend represents the profit of the Company, which is distributed to the shareholders in proportion to the amount paid-up on shares held by them. Dividend includes Interim Dividend.

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 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.

5. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

In line with the philosophy stated in clause 4 above, the Board shall consider the following parameters before declaring or recommending dividend to shareholders:

A) Financial Parameters / Internal Factors:

- i. Financial performance including profits earned (standalone), available distributable reserves etc.;
- ii. Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, network expansion, etc.;
- iii. Requirement of fund infusion in Wholly-owned subsidiaries / subsidiaries, if any;
- iv. Debt repayment schedules;
- v. Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- vi. Past Dividend trend including Interim dividend paid, if any;
- vii. Fund requirements to finance the working capital needs of the business;
- viii. Cost and availability of alternative sources of financing;
- ix. Optimal free cash to fund any exigencies, if any;
- x. Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- xi. Such other criteria as the Board may deem fit from time to time.

B) External Factors:

- i. Economic environment
- ii. Capital markets
- iii. Global conditions
- iv. Statutory provisions and guidelines
- v. Dividend pay-out ratio of competitors
- vi. Industry Growth Rate
- vii. Natural Calamities

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding the dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the Shareholders of the Company and the amount of profit to be retained in the business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

The Board may decide not to declare any dividend if there are circumstances which is unfavourable to the Company or that the Company has a better opportunity in reinvesting the funds.

The Board has the privilege of deciding whether there are unfavourable internal/external conditions and take necessary decisions.

7. UTILIZATION OF RETAINED EARNINGS

Retained Earnings shall be used for the Company's growth plans, expected capital adequacy/liquidity requirements, debt repayments and any other permissible purpose.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

- i. The Company has only one class of equity shareholders and as on date of this policy does not have any issued preference share capital. However, in case Company issue different class of equity shares any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
- ii. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- iii. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held and paid-up value.

9. REVIEW

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Listing Regulations and must be approved in the manner as may be decided by the Board of Directors.

10. DISCLOSURES

The Policy (as amended from time to time) shall be disclosed on the website of the Company and a web-link shall also be provided in the Company's Annual Report.
(www.satincare.com)