

CANARA ROBECO ASSET MANAGEMENT COMPANY LTD.

DIVIDEND DISTRIBUTION POLICY

Date of Adoption – April 4, 2025 (version 1)

I. INTRODUCTION

1. In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**LODR Regulations**”), (i) it is mandatory for top 1000 listed entities based on the market capitalisation to formulate a dividend distribution policy; and (ii) other listed entities may on a voluntary basis formulate a dividend distribution policy, in order to maintain a systematic approach towards dividend pay out plans of the company. Accordingly, this Dividend Distribution Policy (“**Policy**”) has been framed and adopted by Canara Robeco Asset Management Company Limited (the “**Company**”) and approved by its Board of the Directors (“**the Board**”) to specify *inter alia* the parameters that shall be considered while declaring the dividend and the provide the dividend distribution framework to the stakeholders of the Company.
2. This Policy has been approved by the Board of the Company in its meeting dated 4th April 2025 and shall be effective from 4th April 2025, and as may be amended from time to time. The objective of this Policy is to document the guidelines on payment of dividends and set out the key considerations for arriving at the dividend payment decision. The Board shall have the flexibility to determine the level of dividend based on the considerations laid out in the Policy and other relevant developments. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board shall refer to the Policy while declaring/ recommending dividends on behalf of the Company.
3. The Board may declare: (i) interim dividend followed up recommendation of such additional amount as final dividend: or (ii) final dividend, in each case as may be permitted under the Companies Act, 2013 or any amendments, modifications, variation or re-enactment thereof.

II. DEFINITIONS

4. In this Policy, unless the context otherwise requires, the capitalized terms used herein shall have the following meanings:
 - 4.1 “**Applicable Laws**” means the Companies Act, 2013, LODR Regulations and any other statutes, guidelines, rules, circulars, notifications or regulations issued from time to time pertaining to distribution of dividend by a listed entity, as amended or supplemented or superseded from time to time.
 - 4.2 “**Board of Directors**” or “**Board**”, in relation to the Company, means the collective body of the directors of the Company.
 - 4.3 “**Dividend**” includes any interim dividend.

- 4.4 “**Retained Earnings**” shall mean the portion of profits not distributed among the shareholders but retained by the Company for use in business.
5. The terms and expressions used in this Policy but not defined herein shall have the same meaning as assigned under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulations) Act, 1956, LODR Regulations, or any other applicable laws or regulations issued thereunder, as the case may be.

III. PARAMETERS TO DETERMINE THE DIVIDEND

6. The Board shall consider the following factors while declaring the dividend to the shareholders of the Company:

A. *Financial parameters / internal factors may include the following:*

- (a) Statutory requirements: the Board while declaring or recommending dividend shall ensure compliance with Applicable Laws;
- (b) Profits earned during the year and stability of earnings;
- (c) Existing and expected underlying financial performance and profitability outlook for next two/ three years;
- (d) Cash flow and liquidity position;
- (e) Alternate usage viz. acquisition/ investment opportunities or capital expenditures and resources to fund such opportunities/ expenditures, in order to generate significantly higher returns for shareholders;
- (f) Acquisitions and Restructuring activities;
- (g) Debt repayment schedules;
- (h) Past dividend trend including interim dividend, if any;
- (i) Future requirement of funds;
- (j) Leverage profile and liabilities of the Company;
- (k) Liquidity requirements or any restrictive covenants under any loan or financing arrangements;
- (l) Tax implication on dividend distribution;

(m) Any other factor as deemed fit by the Board.

B. *External factors may include the following:*

- (a) Macro-economic environment – Significant changes in Macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates;
- (b) Market conditions and consumer trends;
- (c) Changes in Regulatory requirements and government policies, including taxation policy – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged;
- (d) Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged;
- (e) Any changes in the competitive environment which necessitate significant investments;
- (f) Any other factor as deemed fit by the Board.

IV. CIRCUMSTANCES IN WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

7. The Company shall comply with the Applicable Laws in declaring dividend or Retained Earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of management, and other parameters described in this Policy. In certain circumstances, the shareholders may not expect dividend/or the dividend may not be declared by the Company which shall include, but are not limited to, the following:
- (a) Due to operation of any other law in force or regulatory restriction placed upon the Company;
 - (b) Due to adverse market conditions and business uncertainty;
 - (c) Due to need to conserve capital due to incurred loss or inadequacy of profits in a financial year;
 - (d) Due to significantly higher working capital requirements adversely impacting free cash flow;

- (e) Due to any corporate action resulting cash outflow, such as buyback of shares, investments, mergers, acquisitions etc;
- (f) Due to any default on part of the Company; or
- (g) Any other factor as deemed fit by the Board.

V. UTILISATION OF RETAINED EARNINGS

- 8. Retained Earnings shall be utilized in accordance with the prevailing regulatory requirements and in a manner that shall be beneficial to both the interests of the Company and its stakeholders. The Company shall utilize the Retained Earnings for internal financing of its various projects, creating reserves for specific objectives, towards fixed and working capital, 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 the Company.

VI. PARAMETERS FOR VARIOUS CLASSES OF SHARES

- 9. The Company has issued only one class of shares, namely equity shares. The parameters for dividend payments in respect of any other class of shares shall be in accordance with the respective terms of issuance and the Applicable Laws and shall be determined as and when the Company decides to issue such other classes of shares.

VII. CONFLICT IN POLICY

- 10. In the event of any conflict between this Policy and any provisions under the Applicable Laws, the Applicable Laws shall prevail.

VIII. REVIEW AND AMENDMENT

- 11. This Policy shall be reviewed and amended by the Board once in every year(s) or as may be deemed necessary by the Board.
- 12. Any statutory amendment to the Applicable Laws shall be deemed to be included in this Policy and the Company shall be governed by it. The Company shall alter / modify this Policy to give effect to such changes or amendments in the Applicable Laws, from time to time. Such amended policy shall be placed before the Board for approval and shall be effective from the date on which the Board approves / notifies the same.

IX. DISCLOSURE AND DISCLAIMER

13. In the event the Company proposes to declare dividend on the basis of parameters in addition or different to those mentioned in this Policy or proposes to change such parameters, the Company shall disclose such changes along with the rationale for the same in its Annual Report and on its website.
14. This Policy (as amended from time to time) shall be available on the Company's website with a link to the same in the Annual Report of the Company.
15. This Policy does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.