

**HDFC ASSET MANAGEMENT COMPANY LIMITED**

**DIVIDEND DISTRIBUTION POLICY**

<b>Date of amendment</b>	<b>Date of approval by the Board of Directors</b>
Initially approved	March 8, 2018
Last amended	October 15, 2025

## OBJECTIVE

This Policy seeks to outline broad parameters that may be applied and considered by the Board of Directors of HDFC Asset Management Company Limited (“the Company”) for the purpose of recommending / declaring dividend to the shareholders of the Company. The Company has generally followed a stable dividend policy in the past and strives to maintain a consistent dividend payout ratio.

The Policy is framed in lines with requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Accordingly, this Policy has been approved and adopted by the Board of Directors of the Company at its meeting held on March 8, 2018, and subsequently modified on February 26, 2019 and October 15, 2025.

### A. POLICY ON DIVIDEND DISTRIBUTION

The Board, in light of the prevailing Companies Act 2013, Listing Regulations, Articles of Association and applicable law, while declaring / recommending dividend, shall ensure that an appropriate balance is maintained between adequately rewarding the shareholders and ensuring that adequate financial resources are available to fuel the growth aspirations of the Company.

This Policy authorises the Board to (i) declare interim dividend, (ii) recommend final dividend or (iii) recommend special dividend, in each case as may be permitted under the Companies Act, 2013, Listing Regulations or any amendment, modification, variation or re-enactment thereof.

#### I. 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 provisions of the 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

- Profits earned during the financial year;
- Interim dividend paid, if any, during the financial year;
- Accumulated reserves;
- Profitability outlook for the next two/three years;

- Investment requirements for the Company;
- Expected future capital/liquidity requirements;
- Brands or business acquisitions;
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiary(ies) of the Company etc;
- Unrealized gains / losses on investments;
- Other factors and/or material events which the Board may consider.

### *External Factors*

- Shareholders' expectations;
- Macro-economic conditions;
- Taxation provisions;
- Capital Market conditions;
- Government policies;
- Competitive environment;
- Any other regulatory considerations.

## **II. Circumstances under which the shareholders of the Company may or may not expect dividend**

The Company may not distribute a dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits. Also, 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, dividend may not be declared or reduced dividend may be declared.

## **III. Utilisation of retained earnings**

Retained earnings shall be utilized 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 endeavor to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

Taking into consideration the abovementioned factors, generally, the Board of Directors shall endeavour to pay dividend during the financial year in the range of **60% to 90%** of Profits After Tax (PAT) on Standalone Financials. It may be noted that these are general broad guidelines. However, the Board of Directors may, at its discretion, amend the aforesaid payout range or declare a dividend outside the payout range for a particular financial year whenever considered appropriate by it, including declaration of dividend out

of free reserves in the event of inadequacy or absence of profits in any year, subject to the fulfilment of conditions prescribed under the Companies Act, 2013 and rules made thereunder. This decision will be made while keeping in mind the external and internal factors which may have a bearing on the dividend payout.

The Company currently has only one class of equity shares that are fully paid-up, which rank pari passu with respect to voting and dividend.

#### **B. CONFLICT IN POLICY**

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

#### **C. DISCLOSURE OF POLICY**

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, [www.hdfcfund.com](http://www.hdfcfund.com).

#### **D. AMENDMENTS/MODIFICATION**

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

#### **E. PERIODIC REVIEW OF THE POLICY**

The Board shall review the Dividend Distribution Policy of the Company annually. If the Board proposes to recommend / declare dividend on the basis of criteria in addition to those specified in this Policy, or to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's website and in the Annual Report.