



UTI ASSET MANAGEMENT COMPANY
LIMITED

DIVIDEND DISTRIBUTION POLICY

(Updated upto 28th October, 2021)

1. Introduction:

- 1.1 Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the “**SEBI Listing Regulations**”), it is mandatory to have a Dividend Distribution Policy (“**Policy**”) in place by the top one thousand listed companies based on the market capitalisation calculated as on March 31, every year.
- 1.2 The Board of Directors of UTI Asset Management Company Limited (the “**Company**”) has adopted and formulated this Policy, in compliance with the SEBI Listing Regulations.

2. Objective:

The objective of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Policy aims to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient funds are retained for the growth of the Company.

3. Definitions:

- 3.1. The words, terms and expressions referred to in this policy will have the same meaning as defined under the Companies Act, 2013 (the “**Act**”), the rules made there under and the SEBI Listing Regulations including any statutory modification or re-enactment thereto, as the case may be.
- 3.2. In this Policy, unless the contrary intention appears:
- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
 - b) a reference to a clause number includes a reference to its sub-clauses;
 - c) words in singular number include the plural and vice-versa.

4. Scope:

- 4.1 The Policy covers the following:

a. Dividend to Equity Shareholders of the Company:

At present the Company has only one class of equity shares and accordingly, the Dividend will be distributed equally among all the equity shareholders, based on their shareholding on the record date. Parameters for dividend payments in respect

of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

b. Interim Dividend:

- Interim Dividend(s), if any, shall be declared by the Board.
- In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting (“AGM”).
- Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend along with all the compliances to be taken care of as per the statutory requirements.
- The payment of dividend shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- Interim dividends will be declared before the end of the financial year
 - out of the surplus in the profit and loss account;
 - out of the profits of the financial year in which interim dividend is sought to be declared;
 - out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend;
 - In case, the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of the dividend, such dividend shall not be declared at a rate higher than the average dividends declared during three preceding financial years.

c. Final Dividend:

- Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.
- The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to

receive the dividend on the record date/book closure period, as per the applicable laws.

- Final dividend shall be declared after audited financials are available and after taking into account the interim dividends declared in that year.
- Unrealised gains in other comprehensive income will not be considered for declaration of dividend.

5. Parameters to be considered:

5.1 Parameters to be considered before recommending dividend:

The Board of Directors may declare dividend equivalent to 50% or more of the Profit after Tax (PAT) of the Company after considering the following factors:

Statutory and Regulatory factors

The Company shall declare dividend only after ensuring compliance with provisions of the Act, rules made thereunder, the SEBI Listing Regulations, as amended, any other statutory laws as may be applicable from time to time and Articles of Association of the Company.

Financial Factors / Internal Factors

- Profits earned during the financial year:
- Accumulated reserves;
- Profitability outlook for the coming years
- Expected future capex requirements
- Expansion or modernization of existing businesses;
- Free cash flows after considering capital expenditure requirement, resources required to fund acquisitions, diversification, repayment of borrowings, change in working capital, research and development, to meet contingencies etc.
- Cost of borrowings for long term and short-term projects proposed to be undertaken by the Company.
- Past dividend trends like rate of dividend, pay-out ratio, EPS, bonus, split of shares etc.
- Other factors which the Board may consider.

External Factors

- Shareholder expectations, including individual shareholders;
- Significant changes in the Macro-economic & Market conditions;
- Taxation, Regulation & Govt. Policies.

5.2 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, such as:

- a) Any regulatory restriction placed on the Company on declaration of dividend;
- b) Significantly higher working capital requirements adversely impacting free cash flow;
- c) Due to losses incurred;
- d) Any corporate action resulting cash outflow, such as buyback of shares, investments, mergers, acquisitions etc.;
- e) Bonus issue;
- f) if the Board is of the view that it would be prudent to conserve capital for expansion of business growth or other exigencies, which shall be stated by the Board;
- g) Any external factors such as changes in tax law, significant change in Indian economy etc.

The reasons stated above are illustrative and not exhaustive.

5.3 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.

6. Non-applicability of Policy:

The Policy shall not apply to the dividend to be paid to the preference shareholders.

7. Review:

7.1 The Policy would be subject to revision/ amendment in accordance with the applicable laws.

7.2 The Board shall review the Policy of the Company at least once in every three years.

8. Conflict:

In the event of any conflict between this policy and the extant regulations, the regulations shall prevail.

9. Amendments:

Any subsequent amendment/modification in the Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

10. Disclosure of Policy:

The Policy shall be uploaded on the website of the Company and the weblink of the same shall be disclosed in the Annual Report of the Company.

11. Effective Date:

11.1. The Policy has come into effect from the date of approval of the Board i.e. 16th December, 2019.

11.2. The Policy has been amended, from time to time as mentioned below:

Number of times, policy amended	Board Meeting Date
1 st Amendment	12 th September, 2020
2 nd Amendment	28 th October, 2021
