



UTI ASSET MANAGEMENT COMPANY
LIMITED

POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES

(Updated upto 28th October, 2021)

1. Introduction:

The Board of Directors (“**Board**”) of UTI Asset Management Company Limited (“**Company**”) has adopted the ‘Policy for determining Material Subsidiaries’ (“**Policy**”) in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”).

2. Objective:

The Policy intends to ensure governance of Material Subsidiary Company by complying *inter-alia* with, directorship requirements, review of financial statements, bringing to the attention of the Board, certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiary by the Company.

3. Definitions:

- 3.1 “**Committee**” means the Audit Committee formed by the Board of the Company under the Companies Act, 2013 (“the Act”).
- 3.2 “**Consolidated Income or Net worth**” means the total income or net worth of the Company and its subsidiaries.
- 3.3 “**Control**” means Company shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- 3.4 “**Material Subsidiary**” means a Subsidiary shall be considered as Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.
- 3.5 “**Significant Transaction or Arrangement**”, as per Explanation to Regulation 24(4) of the SEBI Listing Regulations, shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

The words, terms and expressions referred to in this policy will have the same meaning as defined under the Act and the rules made there under and the SEBI Listing Regulations including any statutory modification or re-enactment thereto, as the case may be.

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. Policy:

4.1 A Subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- (a) net-worth of the Subsidiary exceeds 10% of the consolidated net-worth of the Company in the immediately preceding accounting year; or
- (b) income of the Subsidiary exceeds 10% of the consolidated income of the Company in the immediately preceding accounting year.

4.2 In addition, an unlisted Indian Material Subsidiary of the Company would be identified, if any, as one time exercise and such exercise shall be done during each financial year and the conclusion be placed before the Audit Committee of the Company and the Board.

4.3 At least 1 (one) Independent Director of the Company shall be a director on the Board of the unlisted Material Subsidiary, whether incorporated in India or not. Material Subsidiary, for the purpose of this clause, means a subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth of the Company respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

4.4 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary on an annual basis.

4.5 The minutes of the Board Meetings of the unlisted Subsidiary shall be placed before the Board of the Company.

4.6 The management of an unlisted subsidiary shall on a half yearly basis bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by an unlisted Subsidiary.

4.7 The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the unlisted

Material Subsidiary.

The Company shall follow such governance procedures in relation to Material Subsidiary, unlisted subsidiary and material unlisted subsidiary as may be outlined in the SEBI Listing Regulations and the Act, from time to time.

5. Disposal of Material Subsidiary:

The Company, without the prior approval of the members of the Company by special resolution in its general meeting, shall not:

- (a) dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than or equal to 50% or cease the exercise of control over the Subsidiary:

Exceptions:

In cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved, shareholders approval shall not be required.

- (b) sell, dispose and lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year:

Exceptions:

If the sale/disposal/lease is made under a scheme of arrangement duly approved by court/tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved, shareholders approval shall not be required.

6. Compliance Responsibility:

- 6.1. The Chief Financial Officer shall ensure the compliance of this Policy and shall have the power to ask for any information or clarifications from the management in this regard.
- 6.2. The Chief Financial Officer shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary, the same shall be intimated to the Audit Committee.

6.3. The Chairman of Audit Committee is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the Audit Committee, from time to time, to ensure the Committee's oversight on these issues.

7. Review:

7.1 The Audit Committee shall monitor and review the Policy and recommend the necessary changes to the Board for its approval.

7.2 The Audit Committee or Board shall review Policy atleast once in a year.

8. Conflict:

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

9. Amendments:

9.1 This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Audit Committee or Board from time to time.

9.2 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. Disclosures:

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report of the Company.

11. Effective Date:

The Policy has come into effect from the date of listing of equity shares of the Company i.e. 12th October, 2020.

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

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