



UTI ASSET MANAGEMENT COMPANY LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

(Updated upto 1st February, 2023)

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1. INTRODUCTION:

- 1.1. The Board of Directors (the Board) of UTI Asset Management Company Limited (the Company) has adopted the ‘Policy for determining Material Subsidiary’ (the Policy) in compliance with Regulation 16(1)(c) and 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

2. OBJECTIVE:

- 2.1. The Policy sets out the criteria for determining material subsidiary(ies) of the Company and intends to ensure governance of subsidiary(ies) by specifying *inter-alia* the compliance requirements relating to directorship, review of financial statements, placing minutes of the Board meetings, bringing significant transactions / arrangements entered to the attention of the Board, disinvestment of shares held by the Company and selling / disposing / leasing of assets of such subsidiary.

3. DEFINITIONS:

- 3.1. “Audit Committee / Committee” means the Audit Committee formed by the Board of the Company under the Companies Act, 2013 (the Act) and the Listing Regulations, from time to time.
- 3.2. “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercised by the Company, directly or indirectly, including by virtue of its shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

A director or officer of the subsidiary shall not be considered to be in control over such subsidiary, merely by virtue of holding such position.

- 3.3. “Material Subsidiary” means a subsidiary which fulfils the conditions as specified under clause 5 of the Policy.
- 3.4. “Significant Transaction or Arrangement” 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.

4. INTERPRETATION:

- 4.1. Any words used in the Policy but not defined herein shall have the same meaning prescribed to it in the Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the Listing Regulations or any other relevant legislation / law applicable to the Company.
- 4.1. In the Policy, unless the contrary intention appears:
- i. the clause headings are for ease of reference only and shall not be relevant to interpretation;
 - ii. a reference to a clause number includes a reference to its sub-clauses; and
 - iii. words in singular number include the plural and *vice-versa*.

5. MATERIAL SUBSIDIARY:

- 5.1. A subsidiary of the Company shall be considered as a material subsidiary, if any of the following conditions are satisfied:
- i. Income of the subsidiary exceeds 10% of the consolidated income in the immediately preceding accounting year; or
 - ii. Net worth of the subsidiary exceeds 10% of the consolidated net worth in the immediately preceding accounting year.

6. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY:

- 6.1 An unlisted material subsidiary of the Company, whether incorporated in India or outside India, should be identified, as one time exercise, every financial year and the list of subsidiaries together with the details of the materiality and the conclusion shall be placed before the Audit Committee and Board of the Company.
- 6.2 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 sub-clause, shall mean a subsidiary, whose income or net worth exceeds 20 % of the consolidated income or net worth, respectively, in the immediately preceding accounting year.

- 6.3 The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- 6.4 The minutes of the meeting of the Board of the unlisted subsidiary shall be placed at the meeting of the Board of the Company.
- 6.5 The management of an unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- 6.6 The unlisted Indian material subsidiary(ies) shall undertake secretarial audit and annex a secretarial audit report given by a Company Secretary in practice with the annual report of the Company.

7. DISPOSAL OF SHARES / ASSETS OF MATERIAL SUBSIDIARY:

- 7.1 The Company shall not, without the prior approval of the members of the Company by special resolution in its general meeting, dispose off 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.

Exception to the sub – clause mentioned above:

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.

- 7.2 The Company shall not, without the prior approval of the members of the Company by special resolution, sell, dispose or lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year

Exception to the sub – clause mentioned above:

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.

8. COMPLIANCE RESPONSIBILITY:

- 8.1 The Chief Financial Officer shall ensure the compliance of the Policy.
- 8.2 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.

9. REVIEW:

- 9.1 The Audit Committee shall monitor and review the Policy at least once in a financial year and recommend the necessary changes to the Board for approval.

10. CONFLICT:

- 10.1. In the event of any conflict between the Policy and the extant SEBI Regulations and / or other applicable laws, the SEBI Regulations and / or other applicable laws shall prevail over the Policy.

11. AMENDMENT(S):

- 11.1 The Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations and / or other applicable laws or as may be prescribed by the Audit Committee or the Board from time to time.
- 11.2 Any subsequent amendment, modification or supplementation to the Policy shall be effective from the date of approval of Board, unless specified otherwise.

12. DISCLOSURES:

- 12.1. The Policy shall be disclosed on the Company's website at www.utimf.com and a web link thereto shall be provided in the annual report of the Company.

13. EFFECTIVE DATE:

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

13.2 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
3 rd Amendment	1 st February, 2023
