

UTI ASSET MANAGEMENT COMPANY LIMITED

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

- 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 “**Listing Regulations**”), it is mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on the market capitalisation calculated as on March 31, every year.
- 1.2 The Board of Directors (the “**Board**”) of UTI Asset Management Company Limited (the “**Company**”) has adopted and formulated Dividend Distribution Policy, in compliance with the Listing Regulations.

2. DEFINITIONS

- 2.1 The terms referred to in this policy will have the same meaning as defined under the Companies Act, 2013 (the “**Act**”) and the rules made there under and the Listing Regulations.

3. EFFECTIVE DATE

- 3.1 The Policy shall come into effect from the date of approval of the Board i.e 16th December, 2019 and was amended pursuant to the resolution of the Board passed at its meeting held on 12th September, 2020.

4. OBJECT

- 4.1 The object 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.

5. SCOPE

- 5.1 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).

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.

6. PARAMETERS TO BE CONSIDERED

6.1 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 Companies Act, 2013 and rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other regulations as maybe applicable from time to time.

Financial Factor

- Profits earned during the financial year:
- Accumulated reserves;
- Profitability outlook for the coming years
- Expected future capex requirements
- Expansion or modernization of existing businesses;
- 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

6.2 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, including any regulatory restriction placed on the Company on declaration of dividend, or 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, dividend may not be declared or may declare reduced dividend.

6.3 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.

7. CONFLICT IN POLICY

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

8. DISCLOSURE OF POLICY

8.1 The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.utimf.com.

9. AMENDMENTS

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

10. REVIEW OF POLICY

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