

DIRECTORS' REPORT

To the Members,

We are pleased to present the Directors' Report on the business and operations of UTI Asset Management Limited (hereafter referred as UTI AMC or the Company) along with the Company's audited Financial Statements of Accounts for the year ended 31 March 2021.

MACROECONOMY

The Calendar Year (CY) 2020 began on a challenging note for businesses as well as operating models around the globe, owing to various macroeconomic factors like Brexit, unstable crude prices, increasing tensions between multiple countries etc. The outbreak of the Covid-19 pandemic further added headwinds to the already reeling global economy. The subsequent lockdowns across nations impacted cross-border trades and hampered the supply chains at large. This eventually led to a dip in the global Gross Domestic Product (GDP).

For India, the outbreak of Covid-19, halted several economic activities in Q1 of financial year (FY) 2020-21, leading to a contraction of GDP by 23.9% for the said quarter. The gradual lifting of lockdowns, owing to declining cases in the country and various stimulus packages being announced by

the government, enabled the economy to recover better than anticipated earlier.

Anticipating a V-shaped recovery, various rating agencies have given a positive outlook with higher GDP growth rates for CY 2021. However, much will depend on the pace of inoculation drives and how the economy fares owing to the recent second wave of the pandemic having commenced in March 2021.

FINANCIAL HIGHLIGHTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 (the Act), and the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Act, as amended from time to time.

The Company's financial performance for the year ended 31 March 2021, as compared to the previous financial year is summarised below:

(INR in crore)

Particulars	Standalone		Consolidated	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Gross Income	940.56	831.53	1,168.52	854.03
Other Income	27.59	30.26	30.11	35.93
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	499.66	418.81	646.87	384.24
Less: Depreciation / Amortisation	33.86	33.21	35.78	33.59
Profit /loss before Finance Costs, Exceptional items and Tax Expense	465.80	385.60	611.09	350.65
Less: Finance Costs	7.97	9.30	8.06	9.35
Profit /loss before Exceptional items and Tax Expense	457.82	376.29	603.03	341.30
Add/(less): Exceptional items	--	--	--	--
Profit Before Tax Expense	457.82	376.29	603.03	341.30
Less: Tax Expense (Current & Deferred)	106.15	67.13	108.70	66.38
Profit After Tax	351.67	309.16	494.33	274.92
Attributable to				
Owners of the Company	351.67	309.16	494.14	271.46
Non – controlling interests	NA	NA	0.19	3.46
Add / (Less): Other Comprehensive Income (Net of Tax)	(7.19)	(63.65)	(7.26)	(63.73)
Total Comprehensive Income	344.48	245.51	487.07	211.19
Attributable to				
Owners of the Company	344.48	245.51	486.88	207.73
Non – controlling interests	NA	NA	0.19	3.46
Balance of Retained earnings carried forward from previous year	2,372.13	2,132.20	2,466.68	2,264.45

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(INR in crore)

Particulars	Standalone		Consolidated	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Less: Transfer to Reserves	--	--	--	--
Less: Dividend paid on Equity Shares incl. DDT	88.75	69.23	88.75	69.23
Balance of Retained Earnings Carried to Balance Sheet	2,635.05	2,372.13	2,872.07	2,466.68
Paid-up Capital	126.79	126.79	126.79	126.79
Net Worth	2,880.88	2,594.63	3,236.97	2,783.09
Attributable to				
Owners of the Company	2,880.88	2,594.63	3,225.85	2,772.30
Non – controlling interests	NA	NA	11.12	10.79

SHARE CAPITAL

There was no change in the Authorised and Paid-up Share Capital of the Company during the 2020-21. The Company's Paid-up Equity Share Capital, as on 31 March 2021, stood at INR. 126,78,72,540 (One Hundred and Twenty-Six crore Seventy-Eight Lakh Seventy-Two Thousand Five Hundred and Forty Rupees only) divided into 12,67,87,254 (Twelve crore Sixty-Seven Lakh Eighty Seven Thousand Two Hundred and Fifty Four) Equity Shares of Face Value of INR 10 each.

DIVIDENDS

The Board of Directors are pleased to recommend a Final Dividend of INR 17 per Equity Share (170%) at face value of INR10 each, amounting to INR 215.54 crore for FY 2020-21 as compared to Final Dividend of INR 7 per equity share declared for FY 2019-20. The Final Dividend shall be paid subject to the approval of Members at the ensuing Annual General Meeting to be held on Wednesday, 28 July 2021, to those equity shareholders:

- whose name appears as beneficial owners as at the end of business hours on Wednesday, 21 July 2021 in the list of beneficial owners to be furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
- whose name appears as members in the Company's register of members on Wednesday, 21 July 2021.

Pursuant to Section 91 of the Companies Act, 2013, and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 22 July 2021 to Wednesday, 28 July 2021 (both days inclusive) for determining the entitlement of the members to the dividend, if declared, for the FY 2020-21.

Pursuant to the amendments made in Income-tax Act, 1961, dividends paid or distributed by the Company shall be taxable in

the hands of the Shareholders. Accordingly, the Company shall make the payment of the Final Dividend after deduction of Tax at Source.

The final dividend recommended by the Board is in accordance with the Company's Dividend Distribution Policy as adopted by the Board in accordance with the provisions of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

The Dividend Distribution Policy of the Company is annexed herewith as Annexure I to this Report and the same is available on the Company's website at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

BUSINESS OPERATIONS / PERFORMANCE OF SUBSIDIARIES

As on 31 March 2021, the Company had 4 (four) direct subsidiaries and 3 (three) step-down subsidiaries. The business operations and performance of subsidiaries, consolidated with the Company are as under:

UTI International Limited:

UTI International Limited (UTI International) was incorporated as a Limited liability Company under the laws of Guernsey on 30 January 1996, pursuant to an Act of the Royal Court of the Guernsey Island. UTI International is engaged in the investment management of equity and debt funds as authorised by its Memorandum of Incorporation.

UTI International looks after the administration and marketing of offshore funds managed by UTI AMC. It also acts as a management Company for the above mentioned funds as required under the Guernsey Law. UTI International is responsible for developing new products and new business opportunities for the Company's offshore activities. UTI International has 2 (two) subsidiaries - UTI Investment Management Company (Mauritius) Limited and UTI International (Singapore) Private Limited. UTI International clients are spread across 35 countries.

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The Consolidated Gross Income of UTI International for FY 2020-21 was GBP 2,25,34,289 as compared to GBP 13,07,841 in the previous year and Consolidated Net Profit was GBP 1,46,49,061 as compared to Net Loss of GBP 57,69,234 in the previous year.

UTI International recorded an increase in the total AUM from USD 2.08 Billion to USD 3.08 Billion. India Dynamic Equity Fund crossed USD 820 Million to become the 10th largest India fund among Undertaking for Collective Investment in Transferable Securities (UCITS) funds. The J Safra Sarasin Responsible India Fund, Europe's first ESG compliant India fund, raised USD 125 Million in 6 months.

UTI Retirement Solutions Limited:

UTI Retirement Solutions Limited (UTI RSL) was incorporated on 14 December 2007 under the Companies Act, 1956, at Mumbai, Maharashtra. UTI RSL manages the pension funds and assets of the Central and State Government employees and the private sector employees. UTI RSL is engaged in carrying out the operations as pension fund manager as directed by the Pension Fund Regulatory and Development Authority (PFRDA) and the Board of Trustees of the National Pension System Trust, set up under the Indian Trust Act, 1882. It also undertakes wholesale asset management as prescribed by the Government or PFRDA, as authorised by its Memorandum of Association.

The Gross Income of UTI RSL for the FY 2020-21 was INR 19.63 crore as compared to INR 14.25 crore in the previous year. The Net Profit was recorded at INR 3.78 crore as compared to INR 4.36 crore during the previous year.

UTI RSL recorded good performance with growth in AUM, fund performance, and profitability in FY 2020-21. Overall, the AUM in the current year grew from INR 1,22,202 crore to INR 1,66,210 crore, recording a growth of 36.01%. Under one-year fund performance, it ranked second for the Central Government & State Government Employees Scheme, which accounts for more than 90% of the funds. The fund performance under other schemes were also reasonably good. UTI RSL was awarded the Best Pension Fund Manager of the Year 2021 by Asia Asset Management, for the fourth consecutive year. Hence, this business is geared to take a new and meaningful direction, going ahead.

UTI Venture Funds Management Company Private Limited:

UTI Venture Funds Management Company Private Limited (UTI VF) was incorporated on 27 March 2001, under the Companies Act, 1956, at Bengaluru, Karnataka as UTI Venture Funds Management Company Limited. The principal business of UTI VF is to manage venture capital funds and private equity funds.

The Company strives to create value for its portfolio companies by providing industry knowledge, access to local talent and its business network in the Indian and overseas markets. UTI VF is registered with SEBI as a Venture Fund Management Company.

UTI Private Equity Limited is the subsidiary of UTI VF. UTI Private Equity Limited is engaged in investment holding as authorised by the Financial Services Commission.

The Consolidated Gross Income of UTI VF for FY 2020-21 was recorded at INR 2.19 crore as against INR 0.74 crore in the previous year. It clocked a Net Profit of INR 1.30 crore for the year ended 31 March 2021, as against Net Loss of INR 0.47 crore in the corresponding period in the previous year.

UTI Capital Private Limited:

UTI Capital Private Limited (UTI CPL) was incorporated on 13 May 2011, under the Companies Act, 1956, at Mumbai, Maharashtra. It is engaged in the business of investment management as authorised by its Memorandum of Association.

The Gross Income of UTI CPL for the FY 2020-21 was recorded at INR 9.16 crore as compared to INR 8.04 crore in the previous year. The Net Profit was recorded at INR 0.18 crore as against Net Loss of INR 1.43 crore in the previous year.

During the FY 2020-21, UTI CPL focused on portfolio management for UTI Structured Debt Opportunities Fund (SDOF) I - a INR 696 crore first private credit fund. UTI SDOF I saw complete exit from one of the portfolio companies, Vani Agencies, at an Internal Rate of Return (IRR) of 22%. The fund also returned capital to the tune of INR 167 crore. Overall, the fund returned INR 136 crore in the form of Income, over and above the Principal returned of INR 167 crore. UTI CPL also launched its second private credit fund – UTI SDOF II – and had a first close of the fund on 30 September 2020, with INR 410 crore from existing investors of UTI SDOF I only. As of 31 March 2021, the total commitments in UTI SDOF II were INR 447 crore.

The Audited Statements of Accounts of the subsidiary companies, together with the Reports of their Directors and Auditors, for the period ended on 31 March 2021, are attached to this Annual Report.

None of the companies became or ceased to be subsidiary during the FY 2020-21. The Company doesn't have any Associate or Joint Venture Company as on 31 March 2021.

The audited financial statements including the consolidated financial statements of the Company are available on the Company's website at <https://www.utimf.com/uti-amc-shareholders/financials-filings/results/>.

The financial statements of the subsidiaries are also available on the Company's website at <https://www.utimf.com/uti-amc-shareholders/financials-filings/subsidiaries-financials/>.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

As on 31 March 2021, the Company has only 1 (one) material subsidiary which is UTI International Ltd.

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OVERVIEW OF OPERATIONS OF THE GROUP

The Company believes its track record of product innovation, consistency and stable investment performance contributed to the growth of its AUM. From 31 March 2020 to 31 March 2021, the Quarterly Average Assets Under Management (QAAUM) for all the UTI Mutual Fund (MF) schemes collectively grew over 20% from INR 1,51,512.53 crore to INR 1,82,852.73 crore.

The QAAUM for Equity Schemes grew by about 33% from INR 38,192.61 crore in 2019-20 to INR 50,750.05 crore in 2020-21; the QAAUM for ETFs and Index Funds grew almost 69% from INR 25,215.30 crore in FY 2019-20 to INR 42,581.48 crore in FY 2020-21 and the QAAUM for Hybrid Funds grew around 7% from INR 20,962.90 crore to INR 22,367.17 crore over the corresponding periods.

While the QAAUM for the Liquid Funds saw a decline of around 6% from INR 45,795.33 crore in FY 2019-20 to INR 43,062.25 crore in 2020-21, the Income Funds saw a 13% growth in the QAAUM from INR 21,346.39 crore in FY 2019-20 to INR 24,091.78 crore in FY 2020-21.

The Portfolio Management Services (PMS) division of UTI AMC also reported an increase in its AUM from the previous year. The AUM grew from INR 6,89,063.21 crore as on 31 March, 2020, to INR 7,83,795.85 crore as on 31 March 2021, having recorded a growth of 13% with steady growth in business functions and advisory business.

The AUM for UTI CPL recorded growth by more than 20% from INR 1,304.65 crore in March 2020 to INR 1,576.23 crore in March 2021.

UTI RSL also witnessed a growth of 36% in its AUM from INR 1,22,200.94 crore in March 2020 to INR 1,66,209.63 crore in March 2021.

UTI International also saw an increase in the total AUM from INR 15,765 crore as on 31 March 2020 to INR 26,821 crore as on 31 March 2021, with a growth of over 70%.

IMPACT OF COVID-19

The Financial Year 2020-21 was filled with uncertainties, challenges, and twists. While the first quarter of the financial year began with the understanding of the COVID pandemic and framing a national response to it, the last quarter ended with hope as inoculation drive progressed across the country. In this situation, UTI AMC kept doing everything possible to ensure safety of the employees and stakeholders, while keeping the business operations continuing.

- **Setting up a core team:** As soon as the pandemic broke, UTI AMC constituted an internal task force for coordinating with different centers and monitoring the situation. The team looks at aspects related to social distancing in

offices, reducing roster strength, optimal continuity of business operations, work from home arrangements, strict adherence to protocols while visiting office etc.

- **Digital and remote working:** We also took measures for the smooth functioning of business with various customer centric measures and adoption of digital ways of working. Requisite technological support was provided to enable remote working of our employees.
- **Adherence to Government guidelines:** The Government has been proactive in taking various measures to tackle the pandemic and have been issuing frequent guidelines. The same are being adhered to by the Company. We keep assessing the situations in different centers and are prepared to address the challenges.
- **Employee care measures:** We try to operate conservatively, keeping the number of employees in offices at a level that is much lower than the limits prescribed by authorities. We distributed masks and hygiene kits to employees. We are planning to make special arrangements for vaccinating our employees in an appropriate manner. Along with required infrastructure support and a flexible working system, HR Department continued online engagement forums and events for employees, including, online yoga sessions and quiz programmes etc. to keep their morale high.
- **Outreach programs:** We reached out to the employees as well as our BDAs who are affected or in case any of their family members are affected. As an organisation, we are trying to help our affected employees and their families across the country in the best possible manner. We regularly reached out to our business partners for any support that may be needed by them, via phone calls, emails or video calls as per requirements. Our sales team at different locations are also in touch with them. We provided training to the business partners about our digital tools like UTI Buddy.

It shall be the effort of UTI AMC to continue with all safety measures for our employees and stakeholders, as we look forward to an early return to normalcy.

SCHEMES LAUNCHED DURING THE YEAR

There were three open-ended equity funds launched during the FY21 viz., UTI Banking Exchange Traded Fund – An open-ended scheme replicating/tracking Nifty Bank index, UTI Small Cap Fund – An open-ended equity scheme predominantly investing in small cap stocks and UTI Nifty 200 Momentum 30 Index Fund – An open-ended scheme replicating / tracking Nifty 200 Momentum 30 Index with allotment date of 1 September 2020, 22 December 2020 and 10 March 2021 respectively.

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FUNDAMENTAL ATTRIBUTES CHANGED

During the FY21, change in fundamental attributes of schemes were carried out in connection with enabling provision for creation of segregated portfolio in UTI Arbitrage Fund, UTI Multi Asset Fund and UTI Equity Savings Fund (1st set of schemes), UTI Hybrid Equity Fund, UTI Children's Career Fund – Investment Plan and UTI Children's Career Fund – Savings Plan (2nd set of schemes) and UTI Retirement Benefit Pension Fund (3rd set of scheme) details of which were announced through addendum dated 26 August 2020, 12 October 2020 and 20 November 2020 for the set of schemes as mentioned therein respectively. Also, re-categorisation of UTI Equity Fund as a Flexi Cap Fund and enabling provision for creation of segregated portfolio was carried out, details of which were announced through an addendum dated 11 January 2021.

TRANSFER TO RESERVES

During the FY 2020-21, no amount was transferred to the General Reserves of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans given, investments made, guarantees given and securities provided, if any, covered under Section 186 of the Companies Act, 2013, is provided under Note No. 5, 6 and 7 to the Standalone Financial Statements.

CONTRACTS OR AGREEMENTS WITH RELATED PARTY

In accordance with the provisions of Section 188 of the Act and Regulation 23 of Listing Regulations, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions was approved by the Board at its meeting held on 16 December 2019, which was further amended pursuant to the resolution passed by the Board at its meeting held on 28 October 2020. The Policy is available on the Company's website at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

During the FY 2020-21, the Company entered into transactions with related parties as defined under Section 2(76) of the Act, read with Companies (Specification of Definitions Details) Rules, 2014, and applicable Accounting Standards, which were in the ordinary course of business and on arms' length basis.

During the year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the foregoing policy of the Company or the Act. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is not applicable.

However, detailed Disclosure on Related Party Transactions as per IND AS-24 containing name of the Related Party and details of the transactions entered into with such Related Party are provided under Note No. 31 of the Standalone Financial Statements.

DEPOSITS

During FY 2020-21, the Company has not accepted any deposits under Sections 73 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS

Statutory Auditor

In accordance with the provisions of Section 139 of the Act, M/s. GD Apte, Chartered Accountants (FRN: 100515W) was appointed as the Company's Statutory Auditor. The Auditors' Report on Financial Statements for FY 2020-21 is enclosed with the Financial Statements in this Annual Report.

In terms of Section 139(5) of the Act, M/s. G D Apte would hold office till the conclusion of the 18th Annual General Meeting of the Company.

The Board has, in its meeting held on 7 June 2021, recommended the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Reg. No. 101248W/W-100022) as Statutory Auditor of the Company to hold office from the conclusion of the 18th Annual General Meeting of the Company until the conclusion of the 23rd Annual General Meeting of the Company.

A resolution proposing appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read together with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vishal N. Manseta, Practising Company Secretary (ACS 25183 and CP No. 8981) as Secretarial Auditor of the Company. The Report of the Secretarial Audit is enclosed as Annexure II to this Report.

There were no qualifications, reservation or adverse comments or disclaimer made by the aforesaid Auditors in their respective audit reports.

During the year under review, there were no instances of any fraud reported by the Statutory Auditor or Secretarial Auditor to the Audit Committee or the Board pursuant to Section 143(12) of the Act.

AUDITOR OF THE SCHEME OF UTI MUTUAL FUND

Pursuant to the applicable provisions of SEBI (Mutual Funds) Regulations, 1996, M/s. Haribhakti & Co. LLP, Chartered Accountants, was appointed as Statutory Auditors for Schemes of UTI Mutual Fund.

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M/s. Chokshi & Chokshi LLP, Chartered Accountants, was appointed as Internal Auditors for various Schemes of UTI Mutual Fund. Both the auditors periodically submit their reports, which are placed before the Audit Committee and the Board of the Company and of UTI Trustee Company Private Limited (Trustees of UTI Mutual Fund) for discussion, review and implementation of their recommendations.

Adequacy of Internal Financial Controls

The Company has in place adequate Internal Financial Controls with reference to the Financial Statements, some of which are outlined below.

The Company adopted accounting policies which were in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006, that continue to apply under Section 133, and other applicable provisions, if any, of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and relevant provisions of the Act to the extent applicable. These were in accordance with generally accepted accounting principles in India. Changes in policies, if any, were approved by the Audit Committee in consultation with the Statutory Auditors.

The policies also ensured uniform accounting treatment was followed by the subsidiaries of the Company. The accounts of the subsidiary companies were audited by their respective Statutory Auditors for consolidation.

The Company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form, which is backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of accounts. The Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

The Company operates a centralised accounts department which handles all payments. This ensures adherence to all policies laid down by the Management.

The Company, while preparing its Financial Statements, makes judgements and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgements and estimates were also approved by the Statutory Auditors and Audit Committee.

The Management periodically reviews the financial performance of the Company.

Human Resources

The Company believes that its employees play a vital role in building a successful organisation. It understands that nurturing people's capability is the core behind driving business excellence. The Company is committed to maintaining an environment that values the contributions of its people and provides opportunities for their personal and professional growth. UTI AMC ended the year with a workforce strength of 1,441 employees.

Every employee is expected to work with stakeholders viz. clients, other employees, distributors, and investors, among others, in a

respectful manner. Each employee is expected to diligently follow the Company's Rules, Code of Conduct and any violation in the same is appropriately addressed. The Company demonstrates a commitment to a culture that promotes the highest ethical standards. The Company's employee relations continued to be healthy, cordial and progressive.

The Company recognises its responsibility and continues to strive to provide a safe working environment for its employees, free from sexual harassment and discrimination. The Company also has a Policy on Prevention of Sexual Harassment, which is reviewed by the Internal Complaints Committee (ICC) at regular intervals. There were no pending complaints during the year and no fresh complaints were received at the end of the year.

Some key focus areas and initiatives taken up during the year 2020-21 were:

PROMOTE PERFORMANCE CULTURE AND REINFORCE MERITOCRACY

The Company has a Performance Management System that is transparent and objective based. It aligns the Company's goals with key responsibility areas of employees. Role-based scorecards at the employee level coupled with managerial feedback provides clarity and support that eventually help employees excel. Development of employees, recognising and rewarding their performance is of prime importance to the Company. The primary objective of the Performance Management System is to drive a high performance culture.

EMPLOYEE GROWTH AT UTI AMC

Career progression is based on merit and potential. Opportunities are available to develop skills on the job by taking up newer and challenging roles. Through internal job announcements, it is ensured that the Company's employees are made aware of and have the opportunity to apply for specific open positions. In line with the Company's Talent Management Philosophy, it ensures grooming of its internal talent to take up higher roles through a structured Talent Pool Development Process. The principal objective is to create developmental career opportunities for all employees by providing a platform to gain cross-functional experience and expertise.

LATERAL RECRUITMENT

The Company continues to hire laterally for specialised positions. To promote its brand and increase customer engagement, the Company turned to digital marketing and recently created a well-rounded Digital Marketing Team.

CAMPUS PROGRAMMES

Campus Recruitment was one of the major recruitment channels during FY 2020-21. The initiative will give the Company, an opportunity to identify talent at an early stage and nurture the same. The Company also visits specialised campuses like ICAI for recruiting Chartered Accountants. The assignments offered to this group is specialised and domain specific. The hiring in this space is need-based and as per requirements by the business.

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The Company has aesthetically designed Induction Kits for new recruits, with information included in digital format.

GRADUATE PROGRAMMES

To attract and retain the best available young talent in the country for the sales function, the Company started the process of hiring fresh graduates.

HR DIGITALISATION

The Human Resource Management System (HRMS) helps the Company remain abreast of the latest technological trends and have a platform that is more interactive, user-friendly, integrating various HR functions and processes. This enhances the Company's ability to manage employees in a more flexible, agile and customised manner. In addition, the Company also took up initiatives to improve its service delivery, onboarding process and payroll data quality.

EMPLOYEE ENGAGEMENT AND COMMUNICATION

The Company strives to strengthen its connect with employees and make their working life exciting. UTI AMC also conducts several employee engagement events, both at local and national levels. With the objective of creating an atmosphere filled with fun and camaraderie and provide its employees a platform to showcase their talent and creativity. Company conducted several Quizzes, Programmes on Wellness and Health and put in initiatives including Yoga & Meditation by experts for employees, among others.

In order to encourage and foster continuous and transparent communication channels across the length and breadth of the Company, a structured methodology is followed. This includes various mechanisms like – visits to regions and UFCs, skip level discussion, town halls, intranet, audio-video calls, mass mailers, and messages from the top/senior team, among others. Through such communication platforms, employees get opportunities for skip level, leadership level and cross functional interaction. These channels are also actively used for seeking feedback, knowledge sharing and engagement initiatives.

EMPLOYEE RECOGNITION

During the FY 2020-21, employees were appreciated under the Company's recognition programme – 'Achievers Club' – for their performance, efforts and excellence at UTI AMC and in turn create a 'Culture of Appreciation'. There are Spot Rewards for instant recognition. And then there are separate category of awards for the 'Best Sales Team' and 'Best Fund Manager'. Reporting Managers nominate their team members for 'Employee of the Quarter' award.

LEARNING & DEVELOPMENT

An extensive bouquet of training programmes have been delivered covering onboarding, functional and behavioural training. The onboarding training ensures that new employees are trained comprehensively and equipped with necessary know-how required for the role. Functional training programmes enable skill development, regular updates and build expertise.

The Company focuses on role-specific learning plan and ensures effective use of blended learning methods. The Company's Learning & Development team partners with business leaders and managers to focus on developing employees and carving leaders out of its own employees. Specific programmes are also planned so as to ensure one builds expertise in her/his own chosen career. During the year marred by the pandemic, the Company focused on different ways of enhancing knowledge within the Company by arranging digital trainings, interactions, reading materials, and research reports, among others.

In addition, the Company also introduced a new initiative – Quiz Up – a learning and engagement initiative which enables and enhances the employees' knowledge base on topics related to UTI products, mutual fund industry, economy, SEBI regulations and financial & economic concepts. The initiative also provides an opportunity for the employees to learn and earn points through the medium of multiple quizzes. The earned points can be redeemed towards knowledge enhancement, by participating in workshops/training programmes/certification programmes, among others.

The Company also has in place an Educational Assistance Policy enabling employees to take up higher professional studies.

LOOKING AHEAD

The Company looks forward to a stronger focus on meritocracy, change management, increase efficiencies and build an effective organisation. HR principles and policies will be further sharpened. The Company will continue with its efforts to attract the best talents, develop and retain them to transform the organisation. The Company aims at developing a culture that enables employees to develop their leadership capabilities.

The total number of employees of the Company as on 31 March 2021 stood at 1,441. The Employee Benefit Expenses on consolidated basis for the year ended 31 March 2021 stood at INR 379.48 crore as compared to INR 339.88 crore for the year ended 31 March 2020.

Information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report.

In terms of provisions of Section 136 of Companies Act, 2013, the Annual Report is being sent to members excluding the aforementioned information. The information will be available on the website of the Company at www.utimf.com.

VIGIL MECHANISM

In accordance with Section 177 of the Act, the Company adopted a Whistle Blower Policy to supplement the Codes of Ethics, Staff Rules, Anti Bribery Policy and Anti-Fraud Policy of the Company.

The details related to Vigil Mechanism is provided in the Corporate Governance Report forming part of this Annual Report.

DIRECTORS' REPORT (Contd.)

PREVENTION OF SEXUAL HARASSMENT POLICY AT WORKPLACE

The Company has an Anti-Sexual Harassment Policy in place, in line with the requirements of the Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees of the Company as well as any person employed for any work on regular, temporary, *ad-hoc* or daily wage basis including a contract worker, co-worker, probationer, trainee, apprentice or called by any other such name, are covered under this policy.

The Company has constituted an Internal Complaints Committee (ICC) to enquire into the cases of Sexual Harassment at Offices/ UFCs across India. The details related to complaints filed and disposed-off, if any, are provided in the Corporate Governance Report forming part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

As on 31 March, 2021, the Board comprised of 9 (nine) members, consisting of 6 (six) Independent Directors [including 2 (two) woman directors, 2 (two) Non-Executive Non-Independent Directors and 1 (one) Whole Time Director. The Chairperson of the Company is a Non-Executive Independent Director.

Mr. Dinesh Kumar Mehrotra and Mr. Narasimhan Seshadri were re-appointed as an Independent Directors of the Company for a period of five consecutive years w.e.f. 28 November, 2020 to 27 November 2025, not liable to retire by rotation.

Mr. Imtaiyazur Rahman was appointed as the Whole Time Director of the Company at Annual General Meeting held on 22 August 2019, for a period of three years w.e.f. 23 August 2019 till 22 August 2022, not liable to retire by rotation. Further, the Board of Directors, at its meeting held on 12 June 2020, based on the recommendation of Nomination & Remuneration Committee, appointed Mr. Imtaiyazur Rahman as the Chief Executive Officer of the Company with effect from 13 June 2020 for a period of 2 years.

Mr. Ashok Shah resigned from the Directorship of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.

Ms. Uttara Dasgupta ceased to be an Independent Director of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.

Punjab National Bank nominated Mr. Sanjay Varshneya as Director on the Board of the Company in exercise of their right under Article 129 of the Articles of Association of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Edward Cage Bernard, Non-Executive Director of the Company, will retire by rotation at the ensuing AGM, and the tenure of Mr. Deepak Kumar Chatterjee, Independent Director of the Company concludes at the ensuing AGM.

The Board, at its meeting held on 7 June 2021 and 30 June 2021, based on the recommendation of Nomination and Remuneration Committee, *inter-alia* approved:

- i. Appointment of Mr. Edward Cage Bernard (Nominee of T Rowe Price International Ltd), who retires by rotation at the ensuing AGM, as a Nominee Director (Non-Executive Category), liable to retire by rotation, subject to the approval of the shareholders at the ensuing AGM;
- ii. Appointment of Mr. Sanjay Varshneya (Nominee of Punjab National Bank) as a Nominee Director (Non-Executive Category), liable to retire by rotation, subject to the approval of shareholders at the ensuing AGM. The appointment shall be effective post approval of shareholders at the ensuing AGM;
- iii. Re-appointment of Mr. Deepak Kumar Chatterjee as an Independent Director for a period of 5 (five) years after the expiry of his existing term in the ensuing AGM, subject to the approval of the shareholders at the ensuing AGM.

The necessary resolutions for the appointment / re-appointment of Mr. Edward Cage Bernard, Mr. Sanjay Varshneya and Mr. Deepak Kumar Chatterjee including their brief profile and other related information have been included in the Notice convening the 18th AGM.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Companies Act, 2013.

Declaration of Independence

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations.

All Independent Directors of the Company are registered in Independent Director's Databank maintained by the Indian Institute of Corporate Affairs in compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Company has formulated terms and conditions for appointment of Independent Directors which is available on the Company's website at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

Key Managerial Personnel

In terms of Section 2(51) and Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

- Mr. Imtaiyazur Rahman, *Whole Time Director & Chief Executive Officer*
- Mr. Surojit Saha, *Chief Financial Officer*
- Mr. Arvind Patkar, *Company Secretary & Compliance Officer*

DIRECTORS' REPORT (Contd.)

Number of Board Meetings

The Board met 12 (twelve) times during FY 2020-21. The maximum interval between two meetings did not exceed 120 days, as prescribed in the Act. The details of composition of the Board and its Committees and details of the meetings during the FY 2020-21, are disclosed in the Corporate Governance Report, forming part of this Annual Report.

AUDIT & SYSTEMS

The Company's Directors believe that internal audit control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remained committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of the Company, valuation of IT security continues to receive focused attention of the internal audit team, which includes IT specialists.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes in a philosophy of compassion, care and generosity, characterised by a willingness to build a society that works for everyone. In accordance with the CSR vision of the Company, it strives to meet the interests of its shareholders and other stakeholders. Through its CSR initiatives, the Company extends support to the underserved and underprivileged section of society in different parts of India. It seeks to supplement its contribution to environment protection, health & education, uplifting society and sustainable community development.

In terms of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee of Directors comprising Ms. Dipali Hemant Sheth (*Chairperson*), Mr. Dinesh Kumar Mehrotra (*Member*), Mr. Edward Cage Bernard (*Member*) and Mr. Imtaiyazur Rahman (*Member*). During the year under review, Ms. Uttara Dasgupta ceased to be the Chairperson and member of the Committee. Ms. Dipali Sheth, an Independent Director, was appointed as the Chairperson and Mr. Imtaiyazur Rahman, Whole-time Director & CEO, was appointed as Member of the Committee with effect from 4 December 2020. A CSR Sub-Committee of internal officials was also constituted to identify the projects, carry out the groundwork, empanel the agencies/NPOs/Organisations, coordinate related activities and recommend the projects to be undertaken.

The terms of reference, meeting & attendance details of CSR Committee have been disclosed in the Corporate Governance Report.

The Company has adopted a Policy on Corporate Social Responsibility in compliance with the requirements of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Board amended the existing CSR Policy and adopted 'Human Development' as the CSR approach. Education, health and rural development were adopted as the thematic focus of its CSR interventions. The policy can be accessed at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

In accordance with the provisions of the Act, the targeted CSR Expenditure for FY 2020-21 was INR 9.37 crore. The total amount sanctioned during FY 2020-21 was INR 9.45 crore, disbursements against the same are being made in installments in accordance with the implementation schedule of the projects. Pursuant to the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Board initiated Impact Assessment of CSR projects with outlays of INR 1 crore or more.

The Annual Report on the Company's CSR activities is provided as Annexure III to this Report.

RISK MANAGEMENT

Risk management is one of the key focus areas of the Company and it has established processes and systems to ensure robust firm-wide risk management. The Board of Directors formulated and periodically review the Company's risk management policies, procedures and processes, which include the delegation of investment and financial responsibilities, the establishment of prudential investment norms, the approval and dissemination of guidelines and restrictions, as well as the establishment of counter-party limits. The Board also reviews the performance of funds against the relevant benchmark and competing funds.

The Company's risk management structure includes:

- Risk Management Committee:** It comprises of five members of the Board and meets at least twice a year to review the overall risk management policies and guidelines and implementation thereof;
- Equity and Debt Steering Committees:** Equity Steering Committee consists of four members, and Debt Steering Committee consists of two members. Meetings are held on a regular basis to review funds' performance and strategy reports, as well as to discuss products strategies and market developments;
- Department of Risk Management:** It consists of seven members and reviews portfolio risks affecting the Company's funds, conducts performance attribution of funds vis-à-vis their respective benchmarks and competing funds, tracks the adherence of portfolio characteristics to the respective scheme mandates and computes various portfolio analytics to judge the risk and return indicators over a period of time;

DIRECTORS' REPORT (Contd.)

4. **Investment Committee:** It consists of four members and meets on a monthly basis to review, among other things, the performance of the Company's funds, top securities transactions and exceptions, if any, to establish investment norms or scheme limits; and
5. **Department of Internal Audit:** It consists of four members who oversee the work of the chartered accountancy firm appointed to carry out the Company's internal audit function. The Department of Internal Audit, together with the Investment Committee and the Department of Risk Management, ensures that the policies, procedures and processes laid down by the Board and the Risk Management Committee are effectively implemented.

Effective risk management is critical to the operation of the Company's business. The Company adopted certain policies and procedures in managing the various risks applicable to its operations, *inter-alia*, including:

1. **Investment risk:** The Company's funds are exposed to underperformance risk with respect to both the relevant benchmarks and competing funds due to investment related risks, which include market risks and credit risks. Measures are taken to address and mitigate such risks including prudential investment limits, well-documented investment policies and procedures (regarding the delegation of powers, research methodologies, risk evaluation framework and brokers' empanelment policy), sophisticated market information tools, a dedicated securities research team, experienced fund managers, and a regular performance reporting and review mechanism.
2. **Liquidity risk:** Liquidity risk mainly arises in respect of open-ended funds, which typically allow investors to redeem their units at any time. If a significant number of investors opt for redemption from a particular fund at the same time, the fund may face liquidity risk. The risk is particularly high in respect of income funds, considering the low level of debt securities actively traded in Indian markets and the high concentration of investors in select funds. The measures that the Company takes to address and mitigate liquidity risk include reviewing its portfolio positions in light of average trading volumes and historical redemption of funds, maintenance of liquid assets, regularly reviewing illiquid equity positions, observing concentration limits for single positions, issuers and sectors, and prudential issuer and sector norms, with a high proportion of the fixed income investments of the Company's relevant funds in highly rated fixed income securities, and with a line of credit available to address the Company's liquidity shortfalls;
3. **Operational risk:** This is the risk of loss from inadequate or failed internal processes and systems or from external events, including employee errors, improper documentation of transactions, failure of operational and information

security procedures, computer systems, software or other equipment, business interruptions and inappropriate behaviour of employees or vendors. The measures that the Company takes to address and mitigate operational risk include internal control systems, including a concurrent audit system for dealing and NAV computation and an outsourced internal audit function, a straight-through investment processing system, isolating and monitoring the dealing room, service level agreements with third party vendors, conducting disaster recovery drills at least twice a year, separating front-office and back-office functions, an effective customer redress mechanism, periodic training of the Company's sales team, an independent compliance officer supported by experienced officers, and insurance coverage;

4. **Market risk:** This risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as equity prices, interest rates, exchange rates or other asset prices, or higher volatility of funds or returns as compared to benchmark or competing funds. The measures that the Company takes to address and mitigate market risk include implementing investment guidelines and position limits in terms of individual stocks, sectors and industries, having experienced fund managers closely monitoring investments and positions, as well as measuring risk-adjusted performance;
5. **Credit risk:** This is the risk of loss in market value of debt securities due to downgrading by credit rating agencies or default in payment by issuers. The measures taken by the Company to address and mitigate credit risk include establishing counterparty exposure limits, in-house research team, product positioning and placing restrictions on investments in unrated or low-rated debt securities; and
6. **Regulatory risk:** The Company is highly regulated and it may be impacted by new laws, rules and regulations or changes in existing ones, affecting its ability to operate. The measures that the Company takes to address and mitigate regulatory risk include following regulatory guidelines, systematic controls in respect of regulatory limits, dedicated compliance department, monthly compliance audits and review by the Boards of Company and Trustees of UTI Mutual Fund.

BOARD EVALUATION

The Company has a 'Policy for Evaluation of the Performance of the Board of Directors' in accordance with the provisions of Section 134(3)(p) of the Act and Listing Regulations, as amended, with an aim to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board of the Company as well as to assess and enhance the effectiveness of the Board as a whole. The outcome of performance evaluation of Board

DIRECTORS' REPORT (Contd.)

was circulated to Independent Directors and deliberated in their meeting held on 24 April 2021. They were satisfied with the Board's performance for the financial year 2020-21 and also shared their valuable feedbacks on further improvement of evaluation process.

INITIAL PUBLIC OFFER (IPO)

During the FY 2019-20, the Board had approved to initiate the process for Initial Public Offering (IPO) of the Company by way of an offer for sale by the State Bank of India, Life Insurance Corporation of India, Punjab National Bank, Bank of Baroda and T. Rowe Price International Ltd.

During FY 2020-21, the Company completed the IPO through an offer for sale of 3,89,87,081 equity shares comprising an offer of up to 1,04,59,949 equity shares each by State Bank India, Life Insurance Corporation of India, Bank of Baroda and 38,03,617 equity shares each by Punjab National Bank & T. Rowe Price International Ltd of face value of INR 10 each at a price of INR 554 per equity share aggregating up to INR 2,159.88 crore.

The Company successfully completed the IPO process and the equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on 12 October 2020.

EMPLOYEE STOCK OPTIONS SCHEME

The Company introduced an Employee Stock Option Scheme called the 'UTI AMC Employee Stock Option Scheme – 2007'. Each employee on the rolls of the Company as on 16th December, 2019 and few employees from its subsidiaries were granted Options. The vesting of the Options is from expiry of one year from Grant date till four years from Grant Date as per Plan. Under the Scheme, 21,91,544 equity shares were granted to the eligible employees. Each Option entitles the holder thereof to apply for and be allotted number of equity share granted of the Company with a face value of INR 10 each for an exercise price of INR 728 during the exercise period. Vesting of the Options shall take place over a maximum period of three (3) years with a minimum vesting period of one (1) year from the date of Grant i.e. 16 December 2019. The exercise period would be maximum of three (3) years from the date of each vesting of Options. Out of the 21,91,554 Options granted, 74,593 Options lapsed, therefore, the total number of Options outstanding as on 31 March, 2021, was 21,16,961 Options, out of which again 753,478 Options were vested as on 31 March, 2021, pending for exercise. The Grant was made based on parameters *inter-alia*, including tenure, performance, role, and total cost to the Company.

The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"). The disclosures as required under the ESOP Regulations can be accessed on the website of the Company at <https://utimf.com/>.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company operates in an industry which generally does not consume high levels of energy. However, adequate measures or efforts, wherever viable, were taken to ensure energy conservation.

Since the Company does not own any manufacturing facility, the above said particulars mentioned in the Companies (Accounts) Rules, 2014 are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134 of the Act and Rule 8(3) of Companies (Accounts) Rules, 2014, the details of Foreign Exchange Earnings and Outgo are mentioned below:

(INR in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Foreign Exchange Earnings	6.86	4.85
Foreign Exchange Outgo	12.25	6.85

The Company spent Foreign Exchange for payment towards professional fees and for foreign business tours.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) read with Section 92 of the Act, Annual Return of the Company is available on its website at www.utimf.com.

SECRETARIAL STANDARDS

The Company complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India.

UNCLAIMED DIVIDEND ON SHARES

The Company has dividend amounting to INR 0.10 crore as at the end of FY 2020-21 which has not been claimed by shareholders of the Company and is lying in the Unpaid Dividend Account.

The Company has disclosed the details of dividend declared during the preceding financial years on the Company's website at <https://www.utimf.com/uti-amc-shareholders/unclaimed-dividend/> along with assistance for further details on Unclaimed / Unpaid Dividend.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

DIRECTORS' REPORT (Contd.)

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company between the end of FY 2020-21 and the date of this Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Listing Regulations, is presented in a separate section, forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company maintains high standard of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The report on Corporate Governance as stipulated under the Listing Regulations forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report specifying the compliance of principles as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, forms part of this Annual Report.

OTHER DISCLOSURES

In terms of the applicable provisions of the Act, and Listing Regulations, the Company additionally discloses that during FY 2020-21:

- There was no change in the nature of business of the Company;
- There was no revision in the Financial Statements or Directors' Report of the Company;
- Disclosure pertaining to maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is not applicable to the Company.
- The Company has not issued any shares with differential voting rights; and
- The Company has not issued any Sweat Equity Shares.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) and Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the Annual Accounts for the FY 2020-21, the applicable accounting standards were followed along with proper explanation relating to material departures, if any;
- (ii) the accounting policies were selected and applied consistently and judgments and estimates were made so that they are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year i.e. 31 March 2021, and of the Profit and Loss of the Company for that period;
- (iii) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts were prepared on a going concern basis;
- (v) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (vi) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors would like to place on record its gratitude for the valuable support, cooperation and guidance received from the Government of India, Ministry of Corporate Affairs, Registrar of Companies, Securities and Exchange Board of India, Reserve Bank of India, Sponsors and the Shareholders of the Company and the Association of Mutual Funds in India.

The Company is also thankful to its investors in schemes, Auditors, Custodians, Registrar & Transfer Agents, Banks, Distributors, Merchant Bankers, Law Firms and all other service providers for their valued support. The Company would also like to thank its employees for their commitment, collaboration and partnership, demonstrated during the year.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra

Date: 7 June 2021

(Chairman)

Place: Mumbai

(DIN: 00142711)

ANNEXURE I TO DIRECTORS' REPORT

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 31 March 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 thereunder 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 16 December 2019 and was amended pursuant to the resolution of the Board passed at its meeting held on 12 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 may be applicable from time to time.

Financial Factor

- Profits earned during the financial year;
- Accumulated reserves;
- Profitability outlook for the coming years;
- Expected future apex requirements;
- Expansion or modernization of existing businesses; and
- Other factors which the Board may consider.

External Factors

- Shareholder expectations, including individual shareholders;
- Significant changes in the Macro-economic & Market conditions; and
- 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

ANNEXURE I TO DIRECTORS' REPORT (Contd.)

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 at 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.

ANNEXURE II TO DIRECTORS' REPORT

FORM NO. MR-3

Secretarial Audit Report

for the Financial Year Ended 31 March 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of,
UTI Asset Management Company Limited
UTI Tower Gn Block, Bandra Kurla Complex
Bandra East, Mumbai – 400 051

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UTI Asset Management Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and taking into account the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India in view of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

As per information and explanation given to me and documents provided for inspection, the Company has maintained minutes book, statutory registers as required by the Act. The Company has filed various E-Forms during the year as a part of Compliance with the Act. The Company has paid applicable additional fees while filing these forms as the case may be.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The shares of the Company are in demat form and the Company complies with the Depositories Act. The Registrar & Transfer Agent of the Company is KFin Technologies Private Limited (formerly known as "Karvy Fintech Private Limited").

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
→ Not Applicable

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

→ Not Applicable

and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

→ Not Applicable

(vi) The list of other acts applicable is as under:

- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.

As per information and explanation given, UTI AMC Ltd has generally complied with the SEBI requirement as required by Regulations/guidelines/circulars. The Bi-Monthly Compliance Test Report consisting of Exceptions are submitted to the SEBI on timely basis as per SEBI guidelines. The unit holders have been compensated with payment of interest in case of delayed redemption and dividend payment as per SEBI guidelines and the same is disclosed to SEBI by means of Exception CTR. During the year, SEBI has neither imposed any penalty nor issued any show

ANNEXURE II TO DIRECTORS' REPORT (Contd.)

cause notice or Adjudication order on the Company in regards of this regulations.

- Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

As per information and explanation given the Company has complied with the Regulations.

- Provident Fund and other Employee Benefit related Statutes

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards for Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. In accordance with changes in the Board of directors, the Board Committees were also reconstituted.
- The changes in composition of the Board during the audit period is as under:
 - Mr. Imtaiyazur Rahman was appointed as Chief Executive Officer of the Company with effect from 13 June 2020.
 - Mr. Narasimhan Seshadri was re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 28 November 2020 to 27 November 2025, not liable to retire by rotation.
 - Mr. Dinesh Kumar Mehrotra was re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 28 November 2020 to 27 November 2025, not liable to retire by rotation.
 - Mr. Ashok Shah had resigned from the directorship of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
 - Ms. Uttara Dasgupta ceased to be an Independent Director of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.

- Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There was no gap of more than 120 days between two board meetings. All the Independent Directors as on 31 March 2021 are registered as in Independent Director's Database maintained by Indian Institute of Corporate Affairs.
- All the decisions in the meeting of the Board of Directors / Committees were passed unanimously. In case of resolution(s) involving interest of any one of the directors present in the meeting, the respective director has abstained from discussion and voting on such resolution(s).

I further report that during the audit period, the Company has undertaken following events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1. The Company has completed the Initial Public Offer of 38,987,081 equity shares of face value of INR 10 each at a price of INR 554 per equity share (including a share premium of INR 544 per equity share) through an offer for sale of 10,459,949 equity shares aggregating by State Bank of India, of 10,459,949 equity shares by Life Insurance Corporation of India, of 10,459,949 equity shares by Bank of Baroda, of 3,803,617 equity shares by Punjab National Bank and of 3,803,617 equity shares by T. Rowe Price International Ltd. The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on 12 October 2020.
2. At the Annual General Meeting of the Company held on 27 November 2020, the members had passed the following special resolutions:
 - a. Ratification of Article 129 of the Articles of Association of the Company;
 - b. Approval of the re-appointment of Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an independent director; and
 - c. Approval of the re-appointment of Mr. Narasimhan Seshadri (DIN: 03486485) as an independent director.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Vishal N. Manseta**
(Practicing Company Secretary)

Place: Mumbai
Date: 17 June 2021
UDIN : A025183C000475798

(Vishal N. Manseta)
M. No: A25183
CP. No.: 8981

ANNEXURE III TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1. Brief outline on CSR Policy:

UTI Asset Management Company Limited ("the Company") believes in a philosophy of compassionate care, generosity and compassion, characterized by a willingness to build a society that works for everyone. In accordance with the vision of the Company, it recognizes its wide ranging and far reaching capacity to meet the interests not only of its shareholders, but also those of its stakeholders. The company's CSR initiatives extend enduring support and promote wellbeing of the underserved and underprivileged communities in different parts of India. Through its CSR initiatives, the company seeks to supplement its contribution in social upliftment of individuals and families, development of healthy and enlightened citizens, environment protection and sustainable community development.

In terms of Section 135 of Companies Act, 2013, the Company had constituted Corporate Social Responsibility (CSR) Committee of directors. A CSR sub-Committee of officials was also constituted to identify the projects, carry out the ground

work, empanelling the agencies/NPOs/Organisations and other related activities and recommend the projects to be undertaken.

The Company had adopted a Policy on Corporate Social Responsibility in compliance with the requirements of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Board of Directors of Company at their meeting held on 23 October 2013 constituted the Corporate Social Responsibility (CSR) Committee and had decided to undertake CSR activities under the broad areas of 'Health' and 'Education'. In December 2019, the Board amended the existing CSR Policy of the Company in accordance with the provisions of the Companies Act, 2013 and broadened it to undertake CSR Projects in any part of India, in any of the areas or subject listed in Schedule VII of the Act or circular(s)/notification(s) (including any amendments thereto).

Pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Board amended the existing CSR Policy and adopted 'Human Development' as the CSR approach and reaffirmed its 2019 decision to undertake CSR Projects in any part of India. Education, Health and Rural Development were adopted as the thematic focus of its CSR interventions.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Nature of Directorship	Position in Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Uttara Dasgupta (1)	Non-Executive - Independent Director	Chairperson	1	1
2.	Ms. Dipali Hemant Sheth (2)	Non-Executive - Independent Director	Chairperson	N.A.	N.A.
3.	Mr. Dinesh Kumar Mehrotra	Non-Executive - Independent Director	Member	1	1
4.	Mr. Edward Cage Bernard	Non-Executive Director	Member	1	1
5.	Mr. Imtaiyazur Rahman (3)	Whole-time Director	Member	N.A.	N.A.

Note:

- (1) Ms. Uttara Dasgupta ceased to be an Independent Director of the Company and Chairperson of the Committee with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
- (2) Ms. Dipali Sheth became the Chairperson of the Committee with effect from 4 December 2020.
- (3) Mr. Imtaiyazur Rahman became the member of the Committee with effect from 4 December 2020.

3. Web-link:

- Composition of CSR committee:** <https://www.utimf.com/uti-amc-shareholders/corporate-governance/committee-of-the-board/>
- CSR Policy:** <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>
- CSR projects approved by the board:** <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>

ANNEXURE III TO DIRECTORS' REPORT (Contd.)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Impact Assessment of the following CSR projects undertaken in 2018-19 is under process:

- 1) Swades Foundation: Swades Mitra, Eye Care Program (including Mobile Vision Vans) SwaRaksha Express and Anemia Control Project
- 2) The Akanksha Foundation: The School Project: Natwar Nagar Mumbai Public School and Wadibunder Mumbai Public School
- 3) Habitat Humanity of India: Construction and Repair of School Sanitation Infrastructure.
- 4) Institute of Handicapped and Backward People: Inclusive Special School for the differently abled Children (225 differently abled children from poor families were supported).
- 5) Victoria Memorial School for the Blind: Sponsorship for education, lodging and boarding of 40 visually impaired students
- 6) Shree Bhagwan Mahaveer Viklang Sahayta Samiti: Support for fitment of artificial limbs/calipers, distribution of crutches, hand paddled tricycles, wheelchairs, and hearing aids to 1285 disabled totally free of charge.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable.

6. Average net profit of the Company as per Section 135(5): INR 468.52 crore

7. (a) Two percent of average net profit of the Company as per Section 135(5)

Financial Year	Net Profit (INR in crore)
2017-18	536.97
2018-19	492.29
2019-20	376.29
Total	1405.55
Average Net Profit	468.52
2% of Average Net Profit (CSR Expenditure)	9.37

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

(c) Amount required to be set off for the financial year, if any: Not Applicable

(d) Total CSR obligation for the financial year (7a+7b+7c): INR 9.37 crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4.76 crore	5.06 crore	26.04.2021	-	-	-

ANNEXURE III TO DIRECTORS' REPORT (Contd.)
(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in INR)	(8) Amount spent in the current financial Year (in INR)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	The School Project: Natwar Nagar Mumbai Public School and Wadibunder Mumbai Public School	(ii)	NA	Maharashtra	Mumbai	2 years	1,57,06,212 (1.57 crore)	78,53,106 (0.79 crore)	78,53,106 (0.79 crore)	No	The Akanksha Foundation	CSR00001286
2	Inclusive Special School for the Differently able Children	(ii)	NA	West Bengal	South 24 Parganas	1 year	1,27,19,994 (1.28 crore)	9,539,996.00 (0.95 crore)	3,179,998.00 (0.32 crore)	No	Institute for the Handicapped and Backward People	CSR00001075
3	Sponsorship for Education of 50 visually impaired students	(ii)	NA	Maharashtra	Mumbai	1 year	29,00,285 (0.29 crore)	4,61,840 (0.05 crore)	24,38,445 (0.24 crore)	No	The Victoria Memorial School For The Blind	CSR00000705
4	Cardiac Diseases awareness, scroreening and treatment program for the target population	(i)	NA	Maharashtra	Nagpur	1 year, 1 month	1,75,00,000 (1.75 crore)	-	1,75,00,000 (1.75 crore)	No	Swami Vivekanand Medical Mission	CSR000005068
5	Enhancing Water Security and Health in Thar Desert	(x)	NA	Rajasthan	Jaisalmer	1 year, 1 month	1,40,45,976 (1.40 crore)	-	1,40,45,976 (1.40 crore)	No	Gramin Vikas Vigyan Samiti	CSR00001526
6	Rehabilitation of Disabled	(i)	NA	Rajasthan	Jaipur	10 months	49,98,000 (0.50 crore)	24,99,000 (0.24 crore)	24,99,000 (0.25 crore)	No	Shree Bhagwan Mahaveer Viklang Sahayata Samiti	CSR00001480
7	Sponsorship of Education of 31 undergraduate students from underprivileged background	(ii)	NA	Pan India	Pan India	2 years	1,50,00,000 (1.50 crore)	1,50,00,000 (1.50 crore)	-	No	International Foundation for Research and Education	CSR00000712
Total							8,28,70,467 (8.29 crore)	3,53,53,942 (3.53 crore)	4,75,16,525 (4.75 crore)			

ANNEXURE III TO DIRECTORS' REPORT (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount spent for the Project (in Rs.)	(8) Mode of Implementation - Direct (Yes/No)	(9) Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration No.
1	Covid relief	(vii)	NA	-	-	-	1,00,00,000 (1 crore)	No	P M Cares Fund	-
2	Development of Robot to assist doctors in treating Covid 19 patients	(ii)	NA	Andhra Pradesh	Nellore	-	6,50,000 (0.065 crore)	No	SASTRA	-
3	UTI Canserve	(i)	NA	Maharashtra	Mumbai	Open ended	4,45,310.56 (0.044 crore)	No	St. Jude India Child Care Centres	-
4	TISS Consultancy						12,50,000 (0.125 crore)			
Total							1,23,45,310.56 (1.23 crore)			

(d) Amount spent in Administrative Overheads: NA

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 4.76 crore

(g) Excess amount for set off, if any: Not Applicable

Sr. No.	Particular	Amount (in Rs.)
1.	Two percent of average net profit of the Company as per section 135(5)	9.37
2.	Total amount spent for the Financial Year	4.76
3.	Excess amount spent for the financial year [(2)-(1)]	NA
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
5.	Amount available for set off in succeeding financial years [(3)-(4)]	NA

ANNEXURE III TO DIRECTORS' REPORT (Contd.)
9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	FY 2019-20	NA	4,12,04,077 (4.12 crore)	NA	NA	NA	4,89,43,355 (4.89 crore)
2.	FY 2018-19	NA	6,49,69,255 (6.49 crore)	NA	NA	NA	1,85,34,697 (1.85 crore)
3.	FY 2017-18	NA	2,28,93,420 (2.28 crore)	NA	NA	NA	2,30,31,140 (2.30 crore)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project Id	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year (in INR)	Status of the project - Completed /Ongoing
1.	The Akanksha Foundation	The School Project: Natwar Nagar Mumbai Public School and Wadibunder Mumbai Public School	2019-20	2 years	3,23,06,212 (3.23 crore)	39,29,052 (0.40 crore)	2,42,32,159 (2.42 crore)	Ongoing
2.	Swades Foundation	SM Project and Eyecare Project	2019-20	2 years	2,12,27,730 (2.12 crore)	1,30,00,000 (1.30 crore)	1,30,00,000 (1.30 crore)	Ongoing
3.	International Foundation for Research and Education	Sponsorship of Education of 31 undergraduate students from underprivileged background	2019-20	2 years	3,00,00,000 (3.00 crore)	75,00,000 (0.75 crore)	3,00,00,000 (3.00 crore)	Ongoing
4.	Habitat for Humanity India	Construction of School Sanitation Block in Guwahati	2018-19	1.6 years	81,76,109 (0.82 crore)	10,34,129 (0.10 crore)	71,66,211 (0.71 crore)	Completed
5.	Lifeline Foundation	Purchase of 2 Ambulances	2019-20	1.3 years	37,00,000 (0.37 crore)	10,09,000 (0.10 crore)	37,00,000 (0.37 crore)	Completed
6.	Ummeed Child Development Centre	Clinical sessions for children with disabilities	2019-20	1.3 years	1,50,00,000 (1.50 crore)	1,50,00,000 (1.50 crore)	1,50,00,000 (1.50 crore)	Completed
Total						4,14,72,181 (4.15 crore)	9,30,98,370 (9.30 crore)	

ANNEXURE III TO DIRECTORS' REPORT (Contd.)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NA

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

Projects are ongoing. Disbursements will be made as per implementation of the projects.

SHORT DESCRIPTION OF NGOS/ ORGANISATIONS TO WHOM WE HAVE FUNDED AS A PART OF CSR EXPENDITURE AS WAS MADE LAST YEAR

The company CSR initiatives in 2020-21 included activities from the broad areas of 'Health' 'Education' and 'Rural Development'. The initiatives undertaken in 2020-21, sought enhanced capacities of children and youth in low income settings, development of healthy and enlightened citizens, and build resilient communities in rural areas. UTI AMC has undertaken its CSR activities in collaboration with several credible Not for Profit Organizations (NPOs). All these activities are monitored and vetted while regular progress reports are obtained from these NPOs.

In the lights of the on-going Covid-19 pandemic, UTI AMC has contributed to the PM CARES Fund and supported Shanmugha Arts, Science, Technology & Research Academy (SASTRA) for the development of five ZAFI GO robots to assist the medical professionals in communicating and monitoring the Covid-19 infected patients in Tamil Nadu.

In 2020-21, UTI AMC has collaborated with the following NPOs,

- St. Jude India ChildCare Centres (UTI Canserve) – UTI Canserve is a platform which enables investors to contribute their dividend payouts towards a medical cause, for which UTI AMC has entered into an agreement with St. Jude India Child Care Centre. UTI AMC has made an investment of Rs. 1 crore in UTI Arbitrage Fund (one of the listed schemes under UTI Canserve) and the dividend declared by the Fund is transferred to St. Jude India ChildCare Centres as donation for the needy and under-privileged children battling cancer.

- Akanksha Foundation – A non-profit organization that works primarily in the field of education, addressing formal education through Akanksha Schools. The NPO founded by Shaheen Mistri aims to provide children from low-income communities with high-quality education, enabling them to maximize their potential and transform their lives. In the context of the Covid 19 lockdown, the foundation restructured its strategy to focus on Social and Emotional Well-being of students and build capacities of parents as co-educators. UTI AMC supported the cost of running online classrooms for over 700 students and stakeholder capacity building activities in Natwar Nagar Public School, Jogeshwari and Wadibunder Public School, Mazgaon in Mumbai.
- Victoria Memorial School for the Blind (VMSB) – Established in 1902, VMSB works with a vision to encourage, nurture and develop differently-abled (visual impairment) individuals; to empower them to take their place in the world as confident and productive adults. The school provides its students (usually from low socio-economic communities in Maharashtra) with free of cost education (Marathi medium State Board), food, accommodation, sports facilities, vocational and skills training and career guidance. VMSB programmes focus on technology enhanced pedagogy and familiarity of students with learning online ensured continuity in school curriculum during the lockdown. UTI AMC extended financial support towards the cost of education, lodging and boarding of 40 visually impaired students.
- Institute for Handicapped and Backward People – a Kolkata (West Bengal) based NPO headed by Dr. M A Hasan Sahani, a differently abled individual himself. IHBP works for the upliftment and development of the needy and poor and the differently abled section of the society since 2000. It runs a Special Inclusive School for Differently Abled Children from low socio-economic background and placement oriented vocational training centres for them. They also conduct workshops in the fields of computers, tailoring, etc. for women from low socio-economic communities, parents of the differently abled children along with people with disabilities to aid their employment and earnings. UTI AMC supported the education of the 225 differently abled children at the school in Kolkata.
- Gramin Vikas Vigyan Samiti (GRAVIS)- a Jodhpur (Rajasthan) based NPO founded in 1983, headed by Dr. Prakash Tyagi, works for enhancing resilience of communities in the Thar Desert area, Uttarakhand

ANNEXURE III TO DIRECTORS' REPORT (Contd.)

and the Bundelkhand region of Uttar Pradesh. The Gandhian philosophy of Sarvodaya—all rising, but the last person first—and Gram Swarajya, or village self-rule are basis of GRAVIS' strategy and approach. In 2019-2020, GRAVIS projects were implemented in 1600 villages, impacted 100,000 people through 3500 people organizations. UTI AMC is collaborating with GRAVIS to enhance Water Security and Health Status of approximately 24,000 people in drought prone and severely impoverished Pokaran and Jaisalmer blocks in Jaisalmer District of Rajasthan.

- Swades Foundation – Founded by Ronnie and Zarina Screwvala, the Swades Foundation works mainly in the Raigad district of Maharashtra with a goal to create rural communities that are a strong asset to the 21st century India. It is working on a scalable model for Rural Empowerment through holistic, 360 degree development across 5 key verticals – Water & Sanitization, Agriculture & Livelihood, Health & Nutrition, Education and Community Mobilization. UTI AMC provided financial aid for the Swades Mitras (Community Health Worker Volunteer) Project and the Eye Care Program which include the Mobile Vision Centre (MVC) Vans.
- Swami Vivekananda Medical Mission - SVMM, Nagpur is a charitable hospital operational since 1974. Currently, it runs a 50 Bedded hospital at Khapri with ICU and JR Services and a 20 bedded hospital along with two Operation Theatres in Koradi. SVMM annually trains 20 girls from rural areas to be nurses. The hospital covers around 100 villages nearby. UTI AMC is supporting quality and affordable health care for rural population and weaker sections

of the society, particularly those who are suffering or are at risk of cardiac diseases.

- Ummeed Child Development Centre – Founded in 2001 by Dr. Vibha Krishnamurthy, Ummeed works with a vision of helping children with developmental disabilities (such as Autism, Cerebral Palsy, ADD and others) reach their full potential and be included in the society. The team of healthcare professionals at Ummeed cater through four major areas of work – Clinical Services, Training & Capacity Building, Research and Awareness & Advocacy. UTI AMC an Company has extended financial support for 4190 clinical sessions for 470 children with developmental disabilities.
- Shree Bhagwan Mahaveer Viklang Sahayata Samiti – BMVSS is a non-political, non-sectarian, non-religious, pan-India NPO with 23 branches that serve disabled individuals from all over the country and is also the parent body of the world-famous Japiur Foot/Limb. The model product, the Jaipur Knee has been recognized as a sectoral innovation by the Time Magazine. It's products are certified by the ISI. BMVSS recognized by the Ivy League universities including Stanford University, Harvard University, MIT and the IIM-Bengaluru (made a case study) as a specialist organization. It has been granted Consultancy status at UN ECOSOC. It has also conducted camps in several countries in partnership with the Ministry of External Affairs (Government of India). UTI AMC an Company extended the financial assistance towards the fitment of artificial limbs, callipers and other aids and appliances at Jaipur.

(Chief Executive Officer and Whole Time Director)

(Chairperson, CSR Committee)

MANAGEMENT DISCUSSION AND ANALYSIS

DEBT MARKET OVERVIEW AND OUTLOOK

The Financial year 2020-21 started with the economic uncertainty due to the lockdowns imposed in the country as a result of Covid-19. Government revenues were hit hard due to significant reduction in economic activities. The Government responded swiftly to the pandemic and its impact on the economy, by announcing various relief packages to support growth. The Reserve Bank of India (RBI) responded to the situation by announcing aggressive liquidity infusion by way of LTROs, TLTROs, OMO purchases, Operation Twist etc., to ensure that yields do not spike, at a time, when the economy was on a downward trajectory due to the lockdowns.

These liquidity infusion measures have been successful in pulling down the overall yield curve with 10-year yield moderating from 6.30% at the start of year to the lows of 5.75% during the year. The benefits of easy liquidity have been reflected more in the short end of the curve with overnight rates falling even below 3% and settling in the range of 3.00% to 3.25% for most of the second half of the fiscal. Helped by these easy liquidity conditions among other factors, we have seen GDP going back to pre-covid levels in 3rd quarter of the Financial Year, along with inflationary pressures building up (reflected in core CPI data). This resulted in RBI moving in the direction of gradual liquidity withdrawal in the last quarter of the fiscal, which in turn, resulted in markets building expectations of increase in short term funding cost sometime in 2nd half of next fiscal.

However, getting into the FY22, we witnessed the emergence of 2nd wave of Covid-19, which has started impacting the economic activity. This has resulted in markets pricing out possibility of liquidity withdrawal anytime soon. While, the markets continue to assess the impact of this 2nd wave on the overall economic activity, we expect this impact to be limited, due to vaccination drive being carried out by the various Governments. This drive may help in ensuring that the lockdowns may not last for a longer time as compared to last year.

The scope for RBI to provide further accommodation remains limited at a time when globally yields are heading higher in anticipation of improvement in economic growth. We have also witnessed upward pressures on the global commodity prices, which may result in upward movement of domestic CPI. In this backdrop, the market will watch out for cues from RBI on how long they will be willing to continue with the current liquidity surplus. Any liquidity withdrawal on part of RBI will be likely only after we see meaningful revival in growth expectations, which in turn will depend on our capability to swiftly vaccinate a large part of population. Overall, it becomes important to keep a close watch on the pace of vaccination which in our expectations will hold the key for any relaxation in lockdowns and subsequent future growth revival for our economy.

OVERVIEW ON EQUITY MARKET AND OUTLOOK

Nifty 50 climbed 73% during FY21, which was one of the sharpest rallies in the last decade. This performance is accentuated by the sharp collapse in the market that occurred during the last two months of FY20, as the COVID-19 pandemic propagated. Indian equities rallied along with most of the global equity markets as central banks worldwide embarked on record monetary stimulus. At the same time, governments across the world adopted a counter-cyclical fiscal policy by embarking on fiscal spending to pull their respective economies out of a recession. In India, the Government also undertook a series of supply side measures to improve the long-term growth potential of the economy.

Unlike in the previous two years, the participation in the rally was broad based and not restricted to select list of heavyweight stocks. Nifty Midcap 150 and Nifty Smallcap 250 Indices rose by ~100% and ~117% respectively in FY 2021, while Nifty 50 rose by ~73%. Equities as an asset class also outperformed other asset-classes in the financial year 2021, wherein MCX gold gave a return of ~7.3%, and CRISIL Bond Index gave a return of 7.7%.

On the economic front, India entered a technical recession for the first half of fiscal 2021, but has consistently improved the trend, with Q1 and Q2 real GDP declining ~24.4%, ~7.3%, respectively, and Q3 reporting 0.4% growth YoY. As per MOSPI estimates, FY21 real GDP is expected to contract by 8%. During the first 8 months of FY21 (April to November 2020), CPI inflation was at an elevated level (an average of 6.9%) owing to lockdown and supply side constraints that kept the food prices high. However, Inflation eased towards the end of the year as supply constraints eased and fell within the MPC's target band of 2-6%.

Investment cycle too was affected by COVID-19 and it got reflected in Gross Fixed Capital Formation (GFCF) dipping to 30.9% of GDP as per the second advanced estimates for fiscal 2021. However, GFCF has been improving since Q1 of fiscal 2021 and reached 33% of GDP by Q3FY21. The government's focus on capex spends and manufacturing during the union budget for fiscal 2022, along with lower interest rates and expected revival in global demand, are creating a conducive environment for the capex cycle.

The global growth outlook remains robust despite the second wave of COVID-19 due to normalizing economic activities and record fiscal and monetary stimulus unveiled globally by governments and central banks, respectively. The availability of vaccines and rapid vaccination drive globally are building hopes of speedy recovery over the course of the year. The IMF projected the global economy to grow 6% in 2021 and 4.4% in 2022 in the latest World Economic Outlook April 2021. For India, RBI has projected real GDP growth at 10.5% and inflation at ~5% for FY22. The MPC and RBI have indicated an accommodative stance. Reforms undertaken over the

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

past year and a supportive fiscal stance underpin India's growth recovery. In this backdrop, Nifty 50 earnings are estimated to grow at ~25% Compound Annual Growth Rate (CAGR) for the next two years on base of FY21 estimates (Bloomberg estimates). Companies that can navigate a challenging period are often well placed to accelerate growth, gain market share and profitability in the subsequent period as they face less competition. However current valuations, which are elevated relative to history; make the markets vulnerable to any sharp shifts in global liquidity, inflation expectations, earnings disappointments & a resurgence in Covid-19.

OTHER KEY HIGHLIGHTS OF FINANCIAL YEAR 2020-21:

FY21 institutional flow: Foreign Portfolio Investors were net buyers across most of FY21, with an equity net inflow of approx. USD 37.3 billion for FY2021. Domestic institutional investors (DIIs) were net sellers across most months, with total outflows at USD 18.2 billion for FY21. Mutual funds remained net sellers with an outflow of close to USD 16.5 billion. Systematic Investment Plan (SIP) portion of mutual fund inflows witnessed a downward trend before bouncing back in the month of March 2021. The average monthly run-rate of SIPs for FY21 was INR 80 billion in FY21.

While all key sector indices ended FY21 with gains, various sector indices like NSE Metals (159%), NSE Auto (109.8%), NSE IT (105.8%), BSE Power (86.1%) outperformed the Nifty 50 Index (73%) while NSE FMCG (31.7%), BSE Telecom (34.4%) underperformed the Nifty 50.

FY21 witnessed recovery in primary market activity with fund raising via IPOs, FPOs, OFS, Rights issue, etc. rising from INR 1.47 trillion in FY20 to INR 2.55 trillion in FY21.

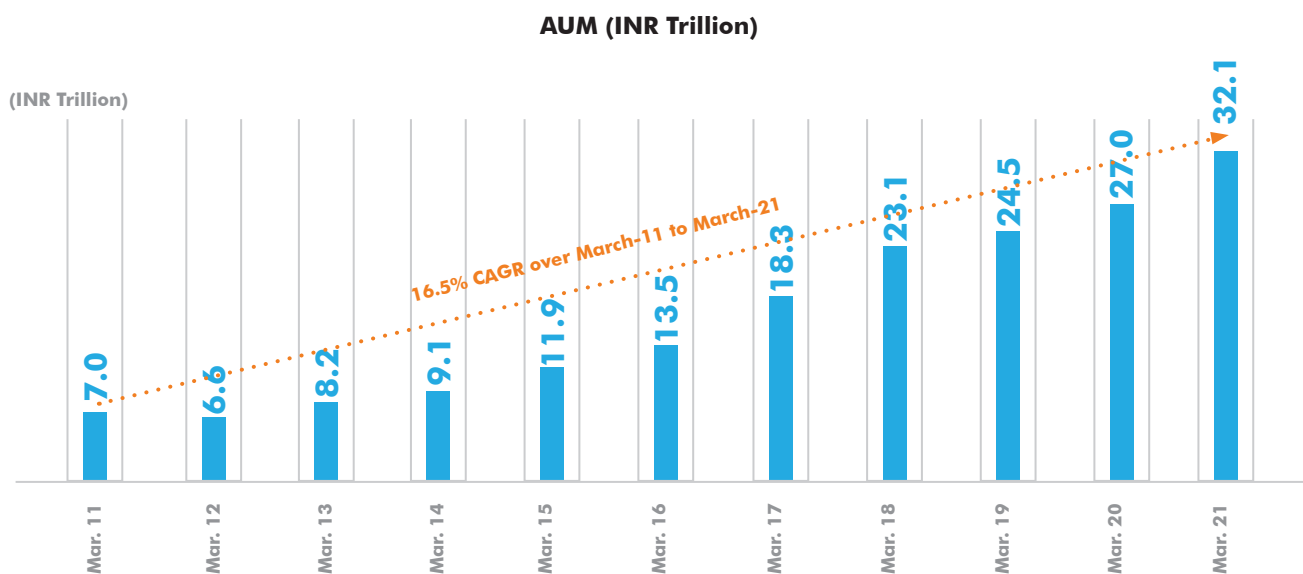
MUTUAL FUND INDUSTRY OVERVIEW:

Aggregate AUM of the Indian mutual fund industry has grown at a healthy pace over the past ten years, against the backdrop of an expanding domestic economy, robust inflows and rising investor participation, particularly from individual investors.

1] Equity Markets and Retail Participation

The Average industry AUM grew at a CAGR of 16.5% from INR 7.0 trillion as of 31 March, 2011 to INR 32.1 trillion as of 31 March, 2021, driven by increasing aggregate financial savings combined with growing investor awareness of mutual fund products.

During the last five years, between April 2016 and March 2021, the industry witnessed a net inflow in equity-oriented funds of INR 3.55 trillion. The Average AUM of equity-oriented funds grew at a CAGR of 26.4%, from INR 4.18 trillion as of 31 March, 2016 to INR 13.51 trillion as of 31 March, 2021, while Average AUM of debt-oriented funds grew at a CAGR of 9.8%, from INR 5.87 trillion as of 31 March, 2016 to INR 9.40 trillion as of 31 March, 2021. The industry witnessed a decent growth over last 5 years despite of the challenging macro environment coupled with the impact of COVID-19 pandemic.



Note: Average AUM for the last quarter of the Fiscal.

Source: AMFI, CRISIL

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

AUM of flexi-cap, multi cap, large cap, large and mid-cap, mid-cap, and ELSS together accounted for 68.9% of the industry's open-ended growth/equity-oriented scheme closing AUM as on 31 March, 2021. Average AUM of other categories of funds (including ETFs, Index funds and FoF investing overseas) saw robust growth of over 14.9 times (a CAGR of 71.7%) over a lower base as institutional investors such as the Employees' Provident Fund Organisation (EPFO) began investing a portion (currently 15%) of their incremental deposits into equities via passively managed funds, an industry trend expected to continue for the medium term.

The Average AUM of liquid/money market funds grew at a CAGR of 13.1% from March 2016 to March 2021, supported by corporate investments, stable returns, and a high level of aggregate re-allocations from long-term debt instruments.

Going forward, it is expected that increased financial savings as well as improving investor awareness may drive industry growth, following a broader economic recovery from the effects of the COVID-19 pandemic.

TREND ACROSS VARIOUS MUTUAL FUND SEGMENTS (AUM IN INR BILLION)

Segment	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Equity	4,183	5,927	9,582	10,210	11,348	13,507
Debt	5,871	7,982	8,134	7,152	7,449	9,398
Liquid/ MoneyMarket	3,269	3,940	4,562	5,916	6,327	6,046
Others	212	446	773	1,206	1,913	3,155
Total	13,534	18,296	23,052	24,484	27,037	32,106

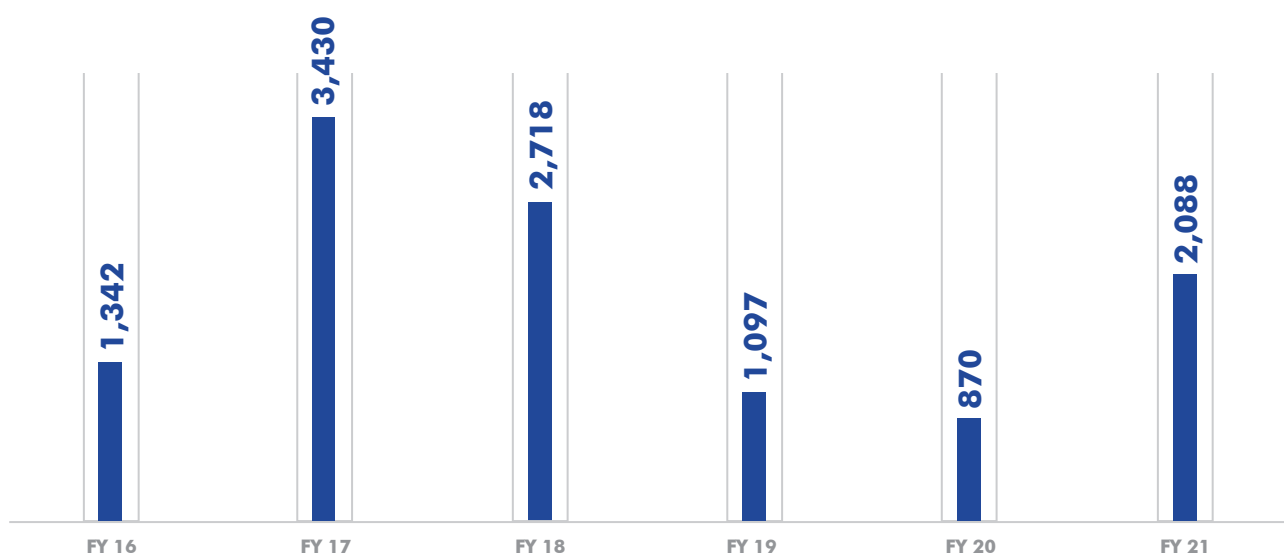
Note: (1) Equity funds include ELSS, hybrid and solutions funds. Debt funds include gilt, income and infrastructure debt funds. Others include gold ETFs, other ETFs and FoFs investing overseas.

(2) After 31 March 2019, equity includes growth/equity-oriented schemes (other than ELSS), ELSS funds, hybrid schemes and solution oriented schemes. Debt includes gift fund/gift fund with 10 years constant duration, and remaining income/debt-oriented schemes. Liquid/money market includes liquid/money market/floater funds/overnight fund. Other include index funds, gold ETF, other ETF and FoFs investing overseas.

Source: AMFI CRISIL.

NET INFLOWS IN THE MUTUAL FUND INDUSTRY

Trends in Net Inflows in the Mutual Fund Industry (INR Billion)



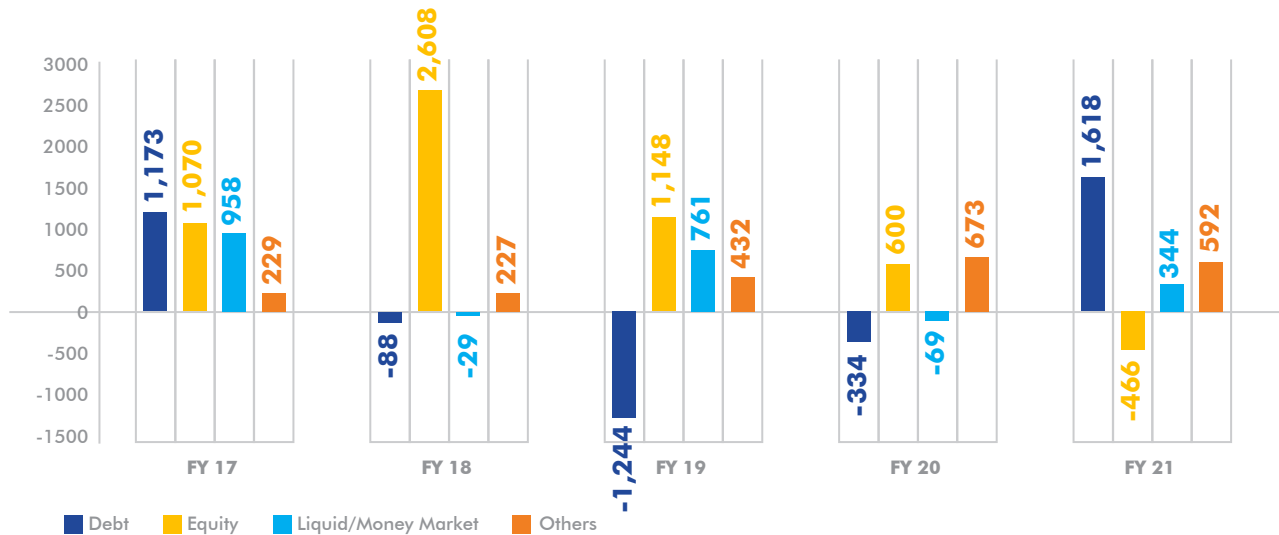
Note: Data are as of 31 March of the relevant fiscal years, unless indicated otherwise.

Source: AMFI, CRISIL

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Overall, the industry saw net inflows of INR 2,088 billion over the over the 12 months ended March 2021 after the slow down in inflows witnessed in FY19 and FY20.

NET INFLOWS BY SEGMENT (INR BILLION)



- Note:** (1) Equity funds include: ELSS, hybrid and solution funds. Debt funds include: gift, income, and infrastructure debt funds. "Others" include gold ETFs, other ETFs, and FOFs investing overseas.
- (2) After 31 March 2019, equity includes: growth/equity oriented schemes (other than ELSS), ELSS funds, hybrid schemes, and solution-oriented schemes. Debt includes: gilt fund/gilt fund with 10 year constant duration, and remaining income/debt oriented schemes. Liquid/money market includes liquid/money market floater fund. Others include: index funds, gold ETF, other ETF, and FoFs investing overseas.

Source: AMFI CRISIL.

In fiscal 2021, within the debt-oriented categories, corporate bond funds, which typically invest in an underlying portfolio of higher rated papers, emerged as the biggest contributor in this asset class with net inflows of INR 693.05 billion over the 12 months ended March 2021. Credit risk funds saw the highest net outflows, at INR 289.23 billion, over the same period.

In fiscal 2021, in the equity-oriented funds, sectoral/ thematic funds recorded the highest net inflows of INR 98.01 billion, aided by new thematic fund launches in the category, while large cap funds recorded the highest net outflows of INR 105.87 billion, as investors worried about expensive valuation after the recent sharp run-up in the market.

Equity-oriented funds also benefitted from continued inflows through systematic investment plans. The industry witnessed net flows of INR 960.80 billion in fiscal 2021 compared with ~INR 1,000 billion of inflows in the previous fiscal.

In fiscal 2021, under the hybrid funds, arbitrage funds which exploit volatility in the equity market to generate returns, recorded the highest net inflows of INR 269.08 billion, while aggressive hybrid schemes posted the highest net outflows of ~INR 258.47 billion.

In the fiscal, equity ETF inflows were ~INR 398.20 billion and gold ETF inflows ~INR 69.19 billion. The two categories' AUM rose ~88% and 78%, respectively, over the one year ended March.

2] Mutual Fund Industry Outlook:

The pandemic-induced developments notwithstanding, as economic activities resume and gather pace, businesses should see heightened requirement of funds. Thus, liquid and arbitrage funds might witness pressure again due to outflows. In addition, corporates are expected to reduce their exposure to debt funds, at least in the riskier categories.

In the long term, with expectation of higher returns from the capital markets, fund flow into equity funds is expected to pick up. Increasing share of mutual funds in household savings, driven by expectations of higher and stable returns, is one of the key contributors of fund inflows, especially into passive and equity funds. A gradual improvement in corporate earnings, controlled inflation, stable political environment, consistent growth in mutual fund inflows and ~9% growth in nominal gross domestic product (GDP) post fiscal 2021 are expected to deepen mutual fund penetration.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

As per a CRISIL report, the industry's quarterly average AUM (QAAUM) is expected to increase at ~14% CAGR between March 2020 and 2025. The growth is expected to be led by equity funds, which will continue to garner strong investor interest. Average equity AUM is expected to increase at ~18% CAGR to ~Rs 25 trillion by fiscal 2025, from Rs 11.1 trillion in March 2020, driven by strong inflows. Strong growth in equity funds will increase their share in the overall fund pie from 42% to 47% by March 2025, in line with the global average.

3] Key Challenges:

The Indian economy has faced its first contraction in more than four decades due to the impact of the COVID-19 pandemic. The impact of this pandemic is likely to widen India's fiscal deficit, which could exacerbate the structural risk factors and make India's economy vulnerable to possible downside risk and volatility.

Retail participation and inflows into mutual funds and other market-linked products are heavily influenced by market performance and sentiment. A prolonged downturn or ongoing volatility could result in further decline in aggregate demand for market-linked products and cause industry AUMs to shift into relatively lower-risk assets.

COMPANY OVERVIEW:

1) Business Overview:

UTI AMC is one of the largest asset management company in India in terms of Total AUM and the eighth largest asset management company in India in terms of mutual fund QAAUM as of 31 March, 2021. As of 31 March, 2021, 23% of our Monthly Average AUM was attributable to B30 cities as compared to 16% for the overall industry. We cater to a diverse group of individual and institutional investors through a wide variety of funds and services.

2) Operational Performance Review:

(I) MUTUAL FUND

UTI AMC manages 138 domestic mutual fund schemes (excluding 10 segregated portfolios), comprising equity, hybrid, income, liquid and money market funds as of 31 March, 2021. Our Domestic Mutual Fund QAAUM was INR 1,829 billion as of 31 March, 2021, which accounted for approximately 5.69%, or the eighth largest amount, of the total QAAUM invested in all mutual funds in India as of 31 March, 2021, according to AMFI Data.

(II) PMS SERVICES:

Our PMS business provides portfolio management services to institutional clients and HNIs. The company provides Discretionary PMS to the Employees' Provident Fund Organisation (EPFO), the Coal Mines Provident Fund Organisation (CMPFO), the Employees' State Insurance Corporation (ESIC), the National Skill Development Fund (NSDF) and to HNIs, Non-Discretionary PMS to Postal Life Insurance (PLI), and Advisory PMS to various offshore and domestic accounts.

UTI AMC got the mandate to manage 55.0% of the total corpus on 31 October, 2019 of the Central Board of Trustees, EPF, accounting for INR 6,635 billion as on 31 March, 2021, which is 84.65% of our PMS AUM as of 31 March, 2021.

UTI AMC also manage retirement funds (in retirement solutions business, which manages the NPS funds), offshore funds and alternative investment funds. These other businesses (excluding our domestic mutual funds and PMS business) had an aggregate closing AUM of INR 1,946 billion as of 31 March, 2021.

(III) FINANCIAL PERFORMANCE REVIEW:

(a) Total Income

Total income for the fiscal year ended 31 March, 2021 was INR 1,198.63 crore, an increase of INR 308.67 crore, or 34.7%, from INR 889.96 crore for the fiscal year ended 31 March, 2020. This increase was primarily due to an increase in net gains on fair value changes and from increase in revenue from the sale of services.

(b) Revenue from Operations:

Revenue from operations increased by INR 314.49 crore, or 36.8%, from INR 854.03 crore in the fiscal year ended 31 March, 2020 to INR 1,168.52 crore in the fiscal year ended 31 March, 2021, primarily reflecting an increase in revenue from sales of services and higher net gains on fair value changes. Revenue from operations as a percentage of total income was 97.5% for the fiscal year ended 31 March, 2021 compared to 96.0% for the fiscal year ended 31 March, 2020.

(c) Other Income:

Other income decreased by INR 5.82 crore, or 16.18%, from INR 35.93 crore in the fiscal year ended 31 March, 2020 to INR 30.11 crore in the fiscal year ended 31 March, 2021. This decrease was primarily due to lower foreign

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

exchange difference. Other income as a percentage of total income was 2.5% for the fiscal year ended 31 March, 2021 compared to 4.0% for the fiscal year ended 31 March, 2020.

(d) Expenses:

- (i) **Fees and Commission Expenses:** Fees and commission expenses increased by INR 0.05 crore, or 1.83%, from INR 2.91 crore in the fiscal year ended 31 March, 2020 to INR 2.96 crore in the fiscal year ended 31 March, 2021. This was primarily a result of the incremental commission paid for the new fund raised in UTI Structured Debt Opportunities Fund - II by UTI Capital.
- (ii) **Finance Cost:** Finance cost decreased by INR 1.29 crore or 13.79% from INR 9.35 crore in the fiscal year ended 31 March, 2020 to INR 8.06 crore in fiscal year ended 31 March, 2021. This is primarily as a result of reclassification of leases and renegotiation in the rental for various UFCs amid to COVID 19 Pandemic.
- (iii) **Employee Benefit Expenses:** Employee benefit expenses increased by INR 39.60 crore, or 11.65%, from INR 339.88 crore in the fiscal year ended 31 March, 2020 to INR 379.48 crore in the fiscal year ended 31 March, 2021. This increase was primarily due to increase in expenses incurred in respect of the employee share option scheme and an increase in variable pay, salary cost, health insurance and Actuarial Cost for the financial year 2020-21. Employee benefit expenses as a percentage of total income is 31.66% for the fiscal year ended 31 March, 2021 as compared to 38.19% for the fiscal year ended 31 March, 2020, primarily as result of the increase in our total income.
- (iv) **Depreciation and Amortisation Expenses:** Depreciation and amortisation expenses increased by INR 2.19 crore, or 6.53%, from INR 33.59 crore in the fiscal year ended 31 March, 2020 to INR 35.78 crore in the fiscal year ended 31 March, 2021. This increase was primarily due to higher capitalization of various intangible asset, which is as a part of digital initiatives taken by the company for various operations. Depreciation and amortisation expenses as a percentage of total income were 3.77% for the fiscal year ended 31 March, 2020 compared to 2.98% for the fiscal year ended 31 March, 2021.
- (v) **Other Expenses:** Other expenses increased by INR 6.39 crore, or 3.92%, from INR 162.93 crore in the fiscal year ended 31 March, 2020 to INR 169.32 crore in the fiscal year ended 31 March, 2021. This increase was primarily due to an increase in CSR expenses following the changes in Companies Act 2013 in respect of CSR Rules, where it has been mandated to provide for the unspent CSR Expenses as well and transfer the same in a separate bank account, as well as increase in rates & taxes, foreign exchange differences, and membership & subscription expenses, partially offset by an decrease in Repair & maintenance Expenses, Advertisement and business promotion expenses and travelling & conveyance expenses. Other expenses as a percentage of total income were 14.13% for the fiscal year ended 31 March, 2021 compared to 18.31% for the fiscal year ended 31 March, 2020.
- (vi) **Profit Before Tax:** Profit before tax for the fiscal year ended 31 March, 2021 was INR 603.03 crore, an increase of INR 261.73 crore, or 76.69%, from INR 341.30 crore for the fiscal year ended 31 March, 2020. This increase is primarily due to increase in revenue from the sale of services and higher net gains on fair value changes, partly offset by an increase in employee benefit expenses, depreciation and amortization expenses and other expenses. As a percentage of total income, profit before tax was 50.31% in the fiscal year ended 31 March, 2021 and 38.35% in the fiscal year ended 31 March, 2020.
- (vii) **Tax Expenses:** In the fiscal year ended 31 March, 2021, our tax expenses increased by INR 42.32 crore, or 63.76%, to INR 108.70 crore in the fiscal year ended 31 March, 2021 from INR 66.38 crore in the fiscal year ended 31 March, 2020. Current tax increased by INR 8.75 crore, or 11.76%, from INR 74.43 crore in the fiscal year ended 31 March, 2020 to INR 83.18 crore in the fiscal year ended 31 March, 2021, primarily due to an increase in our profit before tax. Deferred tax increased by INR 33.67 crore or 420.37%, from INR (8.01) crore in fiscal year ended 31 March, 2020 to INR 25.66 crore in fiscal year ended 31 March, 2021, primarily due to increase in revenue from gain in fair value changes.
- (viii) **Profit After Tax:** Profit after tax (attributable to the owners of the company) increased by INR 222.68 crore, or 82.08%, from INR 271.46 crore in the fiscal year ended 31 March, 2020 to INR 494.14 crore in the fiscal year ended 31 March, 2021. This increase was primarily due to the increase in total income compared to the fiscal year ended 31 March, 2020. As a percentage of total income, profit after tax was 41.22% in the fiscal year ended 31 March, 2021 and 30.50% in the fiscal year ended 31 March, 2020.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

UTI Asset Management Company Limited (the Company / UTI AMC) is a professionally managed asset management Company led by its proficient Board of Directors (Board) having expertise in diverse fields and a dedicated management team having requisite talent and experience. It operates its business in an environment which is governed majorly by SEBI (Mutual Funds) Regulations, 1996 (Mutual Funds Regulations). Subsequent to the listing of Company on National Stock Exchange of India Limited and BSE Limited on 12 October 2020, it is also governed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and several other regulations/circulars issued by Securities and Exchange Board of India (SEBI).

The Company's corporate governance framework *inter-alia*, focuses on:

1. long-term value creation for all its Stakeholders;
2. independent functioning of board and its committees from management;
3. protection of all rights of shareholders and other stakeholders;
4. implementing appropriate controls and procedures to oversee the management's activities for running day-to-day operations of the Company; and
5. transparent and consistent reporting of Company's governance activities, as well as its operating and financial activities to shareholders and other stakeholders in a fair, accurate, timely, reliable, relevant, complete and verifiable manner.

The Company is committed of ensuring good corporate governance by establishment of effective system of risk oversight and management, adopting a business model which involves Environmental, Social and Governance (ESG) Investing and Corporate philanthropy, maintaining transparency & integrity and by creating a culture instrumental to both, its stakeholders & regulators.

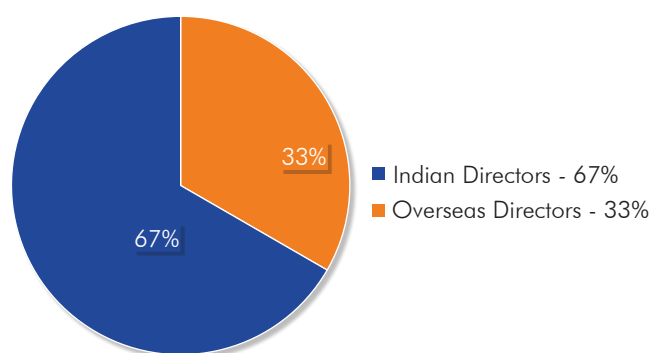
BOARD OF DIRECTORS

The Company continuously endeavors to adhere and adopt the best corporate governance practices in accordance with the applicable SEBI Regulations and which foster the effective oversight on critical matters such as strategy, management succession planning, financial and other controls, risk management and compliance. The Board reviews the governance policies and processes periodically in the context of current corporate governance trends, regulatory changes and recognized best practices. The Committees of the Board also work diligently to support effective corporate governance and strive to align the Company's governance framework with the interest of Stakeholders.

1. Board Diversity:

The Company recognises the benefits of having a diverse Board. The Company believes that a truly diverse Board will leverage divergent thoughts, perspective, knowledge, skill, industry experience, cultural and geographical background and age irrespective of race, caste, creed, religion and gender, which will ensure that the Company retains its competitive advantage, have an effective corporate governance in place, enhanced quality and decision-making capabilities, sustainable development and strengthen its reputation in the industry.

Geographical Representation

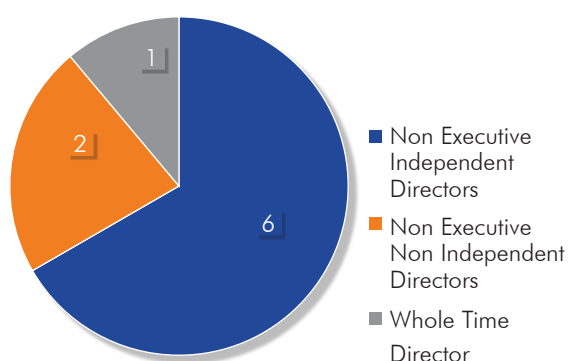


2. Board Composition:

The Board comprises of optimum combination of Executive, Non-Executive Non Independent and Independent Directors in accordance with provisions of the Companies Act, 2013 (the Act), Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

As on 31 March 2021, the Board comprised of 9 (nine) directors, consisting of 6 (six) Independent Directors (including 2 (two) Independent woman directors), 2 (two) Non-Executive Non Independent Directors and 1 (one) Executive Director. The Chairperson of the Company is Non-Executive Independent Director and not related to the Whole Time Director and Chief Executive Officer (CEO).

Composition of Board of Directors



CORPORATE GOVERNANCE REPORT (Contd.)

THE DETAILS OF COMPOSITION OF BOARD, CATEGORY OF DIRECTORSHIP, NO. OF SHARES HELD IN THE COMPANY, OTHER DIRECTORSHIPS AND COMMITTEE POSITIONS IN OTHER PUBLIC COMPANIES AND DIRECTORSHIP IN LISTED ENTITIES AS ON 31 MARCH, 2021 ARE PROVIDED HEREIN BELOW:

Name of Director	Category	No. of shares held in the Company	No of Directorships in other public Companies ⁽¹⁾	No of Committee positions held in other Indian public Companies ⁽²⁾		Other listed entities	
				Chairperson	Member	Name	Category of Directorship
Mr. Dinesh Kumar Mehrotra ⁽³⁾	Non-executive Chairman and Independent Director	810	5	-	5	1. V L S Finance Limited 2. Computer Age Management Services Limited 3. SBI Cards and Payment Services Limited	Non-Executive - Independent Director Non-Executive - Independent Director, Chairperson Non-Executive - Independent Director
Mr. Edward Cage Bernard	Non-Executive Non Independent Director	Nil	-	-	-	-	-
Mr. Flemming Madsen	Non-Executive Non Independent Director	Nil	-	-	-	-	-
Mr. Narasimhan Seshadri ⁽⁴⁾	Independent Director	351	3	-	3	-	-
Mr. Deepak Kumar Chatterjee	Independent Director	Nil	1	-	-	V L S Finance Limited	Non-Executive - Independent Director
Mr. Rajeev Kakar	Independent Director	Nil	-	-	-	-	-
Ms. Dipali Sheth	Independent Director	Nil	2	-	2	DFM Foods Limited	Non-Executive - Independent Director
Ms. Jayashree Vaidhyanathan	Independent Director	Nil	-	-	-	-	-
Mr. Imtaiyazur Rahman ⁽⁵⁾	Whole-time Director and CEO	1971	2	-	1	-	-

Notes:

- (1) Apart from directorship in UTI Asset Management Company Limited and directorships in private companies (including deemed public Company), foreign companies, bodies corporate and companies under Section 8 of the Companies Act, 2013.
- (2) Membership/Chairpersonship of the Audit Committee and Stakeholders Relationship Committee of Indian public companies (excluding UTI Asset Management Company Limited).
- (3) Mr. Dinesh Kumar Mehrotra was re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 28 November 2020 to 27 November, 2025, not liable to retire by rotation.
- (4) Mr. Narasimhan Seshadri was re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 28 November 2020 to 27 November 2025, not liable to retire by rotation.

CORPORATE GOVERNANCE REPORT (Contd.)

- (5) Mr. Imtaiyazur Rahman was appointed as Whole Time Director at Annual General Meeting of the Company held on 22 August 2019 for a period of three years w.e.f. 23 August 2019 till 22 August 2022, not liable to retire by rotation. Further, the Board of Directors at its meeting held on 12 June 2020, based on the recommendation of Nomination & Remuneration Committee, designated Mr. Imtaiyazur Rahman as Chief Executive Officer of the Company with effect from 13 June 2020 for a period of 2 years.
- (6) Mr. Ashok Shah had resigned from the directorship of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
- (7) Ms. Uttara Dasgupta ceased to be an Independent Director of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.

There are no *inter-se* relationships between our Board members. The Company doesn't have any pecuniary relationship with any of the Independent directors except for payment of sitting fees and reimbursement of expenses for attending Board / Committees Meetings.

None of the Directors is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. Membership/ Chairpersonship of the Audit Committee and Stakeholders Relationship Committee of Indian public companies is considered. All the directors have submitted declaration confirming that they are not disqualified for being appointed as directors pursuant to Section 164 of the Act.

3. Director Engagement:

The Company has organized board and committee(s) meetings at regular intervals to discuss and approve Company's business strategy as well as other statutory & general matters. The Board periodically reviews the compliance certificate of the Company certifying compliance with various statutory laws, acts, rules and regulations, and steps taken by the Company to rectify the instances of non-compliance, if any.

At the Board / Committee(s) meetings, the Whole-time Director & CEO and senior management, who are invited to the Board / Committee(s) meetings, also makes presentations on various matters including the financial results, operations related matters, risk management, the economic and regulatory changes and other business matters.

The Board met 12 (twelve) times during the financial year 2020-21, i.e. on 29 April 2020, 12 June 2020, 22 July 2020, 26 August 2020, 12 September 2020, 21 September 2020, 28 September 2020, 3 October 2020, 28 October 2020, 17 November 2020, 29 January 2021 and 5 February 2021.

Due to the Covid-19 pandemic and subsequent relaxations granted by Ministry of Corporate Affairs (MCA) and SEBI, all the Board / Committees meetings were conducted through Video Conferencing during the financial year 2020-21.

THE DETAILS OF ATTENDANCE OF DIRECTORS AT EACH BOARD MEETING AND AT THE ANNUAL GENERAL MEETING OF THE COMPANY ARE AS FOLLOWS:

Name of Directors	Board Meetings												No. of Board Meetings during 20-21		Attendance at AGM
	29-Apr-20	12-Jun-20	22-Jul-20	26-Aug-20	12-Sep-20	21-Sep-20	28-Sep-20	03-Oct-20	28-Oct-20	17-Nov-20	29-Jan-21	05-Feb-21	Held	Attended	27-Nov-20
Mr. Dinesh Kumar Mehrotra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Mr. Edward Cage Bernard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	×
Mr. Flemming Madsen	✓	×	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	12	10	×
Mr. Narasimhan Seshadri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Mr. Deepak Kumar Chatterjee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Mr. Rajeev Kakar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Ms. Dipali Sheth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Ms. Jayashree Vaidhyanathan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Mr. Imtaiyazur Rahman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12	✓
Mr. Ashok Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N.A.	N.A.	10	10	×
Ms. Uttara Dasgupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	N.A.	N.A.	10	9	✓

N.A. – Not Applicable

CORPORATE GOVERNANCE REPORT (Contd.)

4. Board Skills:

The Board comprises of qualified members who possess relevant skills, expertise and competence viz. Business Leadership, Corporate Strategy and Planning, Investment Management, Financial Management, Information Technology, Marketing, Client Services, Capital Markets Transactions, Strategic Alliances, Risk Management, Compliance & Governance, Taxation, Talent Management, Management Consulting and International Asset Management, for the effective functioning of the Company.

The brief profiles of the directors of the Company have been uploaded on the website of the Company at <https://www.utimf.com/about/key-people/board-of-directors>.

5. Board Independence:

The Board determines the independence based on the declaration submitted by all the Independent Directors, regarding fulfillment of the conditions mentioned in the Act and Listing Regulations and affirms their independence with management.

6 (six) out of 9 (nine) directors, are non-executive and independent and the Chairman of the Board is also independent who provides independent leadership to the organization.

The appointment of Independent Directors on the Board of the Company is formalized through letter of appointment *inter-alia* outlining their roles, rights and responsibilities, details of remuneration to directors, evaluation of performance, director's and officers' liability insurance coverage etc. In addition, the Company has also provided copies of Code of Conduct for Board of Directors and Senior Management Personnel, Terms of Reference of respective committees and access to all other policy documents.

During the year under review, Mr. Dinesh Kumar Mehrotra and Mr. Narasimhan Seshadri were re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 28 November 2020 to 27 November 2025, not liable to retire by rotation.

Ms. Uttara Dasgupta ceased to be an Independent Director of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020 on account of completion of her term.

Mr. Ashok Shah resigned from the directorship of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020. Mr. Shah had confirmed that the reason for resignation was personal and there was no other reason for resignation.

The maximum tenure of Independent Directors is in accordance with the Act and other applicable Regulations.

6. Familiarisation Programme for Independent Directors:

The Board had at its meeting held on 16th December, 2019 approved the Familiarisation Programme for Independent Directors in accordance with the provisions of Section 178 of the Act and Listing Regulations, as amended.

The Company has conducted orientation programs / presentations / training sessions for Independent Directors at regular intervals to familiarize them with the mutual fund industry and business model of the Company, performance of the Company, various system and policies adopted by the Company, Indian and Global market update, risk management framework, achievements / awards, management structure, HR policies, management development, review of Internal Audit, operations of subsidiaries and associates, digitization of business process and update on digital marketing etc.

The Familiarisation Programme for Independent Directors and an update on programmes conducted during the financial year 2020-21 has been disclosed on the Company's website at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

7. Board Evaluation:

The Company has in place a policy, which prescribes procedures and criteria to evaluate the performance of the entire Board and that of its Individual Director (Whole Time Director, Non-Executive Director and Independent Director) and Committees in line with the provisions of the Act and Listing Regulations. Performance evaluation of Non-Executive Directors and Independent Directors is done by entire Board, excluding the Director being evaluated and the performance of Whole Time Director & CEO is evaluated by Nomination and Remuneration Committee.

A separate meeting of the Independent Directors was held on 27 October 2020 without the presence of non-independent directors, wherein the performance of the Board for FY-20 as a whole was evaluated on the grounds of qualification, experience and contribution made at the Board / Committee(s) meetings.

The outcome of performance evaluation of Board for FY-21 was circulated to Independent Directors and deliberated in their meeting held on 24 April 2021. They were satisfied with the Board's performance for the financial year 2020-21 and also shared their valuable feedbacks on improvement of evaluation process.

8. Code of Conduct

The Company has in place, a Code of Conduct for its Board of Directors and Senior Management Personnel (Code) covering the matters which are utmost importance to the Company, its shareholders and other stakeholders

CORPORATE GOVERNANCE REPORT (Contd.)

which are essential to conduct the business in accordance with legal and ethical values to which the Company is strongly committed.

All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year 2020-21. The declaration to this effect signed by Mr. Imtaiyazur Rahman, CEO, forms part of this Report.

• BOARD COMMITTEES

Board Committees constitute an important element of the governance process. The Board has constituted various committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee cum Share Allotment Committee, Corporate Social Responsibility Committee and Risk Management Committee with approved and well-established terms of reference, role and function in order to effectively discharge its obligations and comply with the statutory requirements.

In view of the importance of systems, cyber-security and digital transactions, the Board has also constituted a

‘Digital Transformation Committee’ through a circular resolution dated 4 December 2020 with majority of the members being Independent Directors.

The Committees function under the direct supervision of the Board and prepares the groundwork for decision-making in accordance with its terms of reference and if required, recommends the same to the Board thereby enabling better management of the board’s time and in-depth scrutiny and focused attention on the matters delegated. The Company organizes the Committee meetings prior to the board meeting and the chairpersons of the respective committees, summarizes the Board about the deliberations and decisions taken at the Committee meetings.

The Chairperson of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Digital Transformation Committee except Stakeholders Relationship Committee cum Share Allotment Committee are Independent Directors. The Chairperson of Stakeholders Relationship Committee cum Share Allotment Committee is a Non-Executive Director.

(a) Audit Committee

Audit Committee plays a pivotal role in corporate governance mechanism. The Audit Committee aims to enhance the confidence in the integrity of Company’s financial reporting, the internal control processes and the risk management systems by providing an appropriate oversight in financial reporting and disclosures.

In compliance with the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations, the Company has an Audit Committee comprising of Non-Executive Independent and Non Independent Directors who are financially literate and have relevant expertise in the fields of finance accounting and development.

The Audit Committee met 5 (five) times during the financial year 2020-21, i.e. on 29 April 2020, 22 July 2020, 28 September 2020, 28 October 2020 and 29 January 2021. The composition of Audit Committee as on 31 March 2021 and the attendance of members at its meetings are as under:

Sr. No.	Name of the Member	Designation	Number of Meetings	
			Held during tenure	Attended
1	Mr. Deepak Kumar Chatterjee (Independent Director)	Chairman	5	5
2	Mr. Dinesh Kumar Mehrotra (Independent Director)	Member	5	5
3	Mr. Flemming Madsen (Non-Executive Director)	Member	5	4
4	Mr. Narasimhan Seshadri (Independent Director)	Member	5	5
5	Mr. Rajeev Kakar (Independent Director)	Member	5	5

Notes:

- (1) The Company Secretary acts as the Secretary to the Audit Committee.
- (2) The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 27 November 2020.

The terms of reference of the Audit Committee includes the following:

1. Overseeing the Company’s financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board for appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditors of the Company;
3. Reviewing and monitoring the statutory auditor’s independence and performance and effectiveness of audit process;

CORPORATE GOVERNANCE REPORT (Contd.)

4. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report.
6. Reviewing with the management the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuing of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
13. Reviewing with the management the performance of statutory and internal auditors and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussing with the internal auditors on any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background etc. of the candidate;
21. Carrying out any other function as mentioned in the terms of reference as may be decided by the Board or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority; and
22. Reviewing the utilization of loans and / or advances from/ investment by the holding Company in any subsidiary exceeding INR 100 crore or 10 % of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.

CORPORATE GOVERNANCE REPORT (Contd.)

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee;
3. To seek information from any employee;
4. To obtain outside legal or other professional advice; and
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
 - (ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations."

(b) Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee comprising of Non-Executive Independent and Non Independent Directors in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee identifies the person who is qualified to become a director or who may be appointed as Key Managerial Personnel.

The Nomination and Remuneration Committee met 5 (five) times during the financial year 2020-21, i.e. on 28 April 2020, 5 June, 2020, 12 June 2020, 23 October 2020 and 27 January 2021. The composition of Nomination and Remuneration Committee as on 31 March 2021 and the attendance of members at its meetings are as under:

Sr. No.	Name of the Member	Designation	Number of Meetings	
			Held during tenure	Attended
1	Mr. Narasimhan Seshadri (Independent Director)	Chairman	5	5
2	Mr. Edward Cage Bernard (Non-Executive Director)	Member	5	5
3	Mr. Dinesh Kumar Mehrotra (Independent Director)	Member	5	5
4	Ms. Dipali Sheth (Independent Director)	Member	5	5
5	Ms. Uttara Dasgupta ⁽¹⁾ (Independent Director)	Member	4	4

Notes:

- (1) Ms. Uttara Dasgupta ceased to be member of the Committee with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
- (2) The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.
- (3) The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 27 November 2020.

The terms of reference of the Nomination and Remuneration Committee includes the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of Executive and Non-Executive Directors & Key Managerial Personnel;

CORPORATE GOVERNANCE REPORT (Contd.)

2. Formulating of criteria for evaluation of the performance of the Non-Executive Directors, Executive Directors and the Board as a whole;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Formulate scheme / policy on Employees Stock Option, review the same periodically and recommend to the Board for its adoption/ approval all aspects of Employees Stock Option Plans (ESOP) including and not restricted to the following:
 - (a) administering the ESOP, as may be approved by the Board and implemented from time to time (the "Plan");
 - (b) determining the eligibility of employees to participate under the Plan;
 - (c) granting options to eligible employees and determining the date of grant;
 - (d) determining the number of options to be granted to an employee;
 - (e) determining the exercise price under the Plan;
 - (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan; and
 - (g) Do all such actions so as to implement the ESOP policy guidelines as approved by the Board and to recommend to the Board for its consideration/ adoption the final proposals on ESOP.
7. Analyzing, monitoring and reviewing various human resource and compensation matters;
8. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors;
9. Determining compensation levels payable to the Key Managerial Personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
10. Formulating and recommend to the Board for its adoption/ approval, a policy for periodical evaluation of the performance of Whole Time Directors / CEO / CFO / CIO / other Key Managerial Personnel and carry out performance review as per the policy adopted by the Board;
11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
13. Perform such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority;
14. Recommend to the board, all remuneration, in whatever form, payable to Key Managerial Personnel; and
15. Carry out such other functions as may be required for the performance of any of the above duties.

(c) Stakeholders Relationship cum Share Allotment Committee

The Company has a constituted Stakeholders Relationship cum Share Allotment Committee comprising of Non-Executive Independent and Non Independent Directors in accordance with Section 178 of the Act and Regulation 20 of Listing Regulations. The Committee assists the Board in fulfilling its statutory, fiduciary and regulatory responsibilities towards stakeholders. It looks into various aspects of stakeholder which *inter-alia* specifically involves resolving the grievances of security holders of the Company.

No meeting of the Stakeholders Relationship cum Share Allotment Committee was held during the financial year 2020-21. The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited during the second half of financial year 2020-21 on 12 October 2020. The composition of Stakeholders Relationship cum

CORPORATE GOVERNANCE REPORT (Contd.)

Share Allotment Committee as on 31 March 2021 is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Edward Cage Bernard (Non-Executive Director)	Chairman
2	Mr. Deepak Kumar Chatterjee (Independent Director)	Member
3	Ms. Jayashree Vaidhyathan ⁽¹⁾ (Independent Director)	Member
4	Ms. Uttara Dasgupta ⁽²⁾ (Independent Director)	Member

Notes:

- (1) Ms. Jayashree Vaidhyathan became the member of the Committee with effect from 4 December 2020.
- (2) Ms. Uttara Dasgupta ceased to be member of the Committee with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
- (3) The Company Secretary acts as the Secretary to the Stakeholders Relationship cum Share Allotment Committee.

The terms of reference of the Stakeholders Relationship cum Share Allotment Committee includes the following:

1. To consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, allotment of shares etc.
2. To review the measures taken for effective exercise of voting rights by shareholders.
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
4. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. To approve and review policy(s) / procedure(s) / standard(s) in line with the statutory guidelines to ensure proper and timely attendance and redressal of investor queries and grievances.
6. To approve and register transfer or transmission of shares and issuance of duplicate share certificate(s) or new certificate on sub-division, consolidation, removal, rematerialisation, etc.

7. To perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various circulars issued by the regulatory authority(s), or any other applicable laws for the time being in force.

Name and Designation of Compliance Officer

Pursuant to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Listing Regulations, the Board has designated the Company Secretary as the Compliance Officer for monitoring compliance of the aforesaid laws and redressal of investors' grievances.

Accordingly, Mr. Arvind Patkar, Company Secretary, is the Compliance Officer under the aforesaid regulation.

Details of Investors' complaints received and resolved during the financial year 2020-21 are as follows:

Number of complaints at the beginning of the year	Number of complaints received during the year	Number of complaints resolved during the year	Number of complaints at the end of the year
0	19	18	1*

(*) The pending complaint at the end of the year was resolved on 7 April 2021.

The status of investor complaints received and resolved by the Company are reported on quarterly basis to Stock Exchanges under Regulation 13(3) of Listing Regulations.

SEBI Complaints Redress System (SCORES):

The SEBI has introduced centralized web based complaint redressal system for processing of shareholders' complaints. SCORES maintains centralised data base of the complaints and Companies can upload online action taken reports. Through SCORES, the investors can view real time status of complaints and action taken thereon.

(d) Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a Corporate Social Responsibility (CSR) Committee comprising of Non-Executive Independent and Non Independent Directors. CSR Committee assists the Board to fulfill the commitment of the Company to contribute to economic development while improving the quality of life of the workforce, their families, local community and society at large. It enhances the responsiveness of the Company to its stakeholders and the environment in which it operates.

CORPORATE GOVERNANCE REPORT (Contd.)

The details of CSR activities undertaken by the Company during the year under review form part of the Director's Report. The CSR Committee met once during the financial year 2020-21, i.e. on 27 October 2020. The composition of CSR Committee as on 31 March 2021 and the attendance of members at its meeting are as under:

Sr. No.	Name of the Member	Designation	Number of Meetings	
			Held during tenure	Attended
1	Ms. Uttara Dasgupta ⁽¹⁾ (Independent Director)	Chairperson	1	1
2	Ms. Dipali Hemant Sheth ⁽²⁾ (Independent Director)	Chairperson	NA	NA
3	Mr. Dinesh Kumar Mehrotra (Independent Director)	Member	1	1
4	Mr. Edward Cage Bernard (Non-Executive Director)	Member	1	1
5	Mr. Imtaiyazur Rahman ⁽³⁾ (Independent Director)	Member	NA	NA

Notes:

- (1) Ms. Uttara Dasgupta ceased to be Chairperson of the Committee with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
- (2) Ms. Dipali Sheth was appointed as the Chairperson & member of the Committee with effect from 4 December 2020.
- (3) Mr. Imtaiyazur Rahman was appointed as member of the Committee with effect from 4 December 2020.
- (4) The Company Secretary acts as the Secretary to the CSR Committee.

The terms of reference of the CSR Committee includes the following:

1. Formulate and recommend to the Board a CSR Policy;
2. Monitor and Review CSR Policy and recommend to the Board any amendments therein;
3. Recommend the amount of expenditure to be incurred on the CSR projects;
4. Formulate and recommend to the Board an Annual Action Plan which shall include the following, namely:-
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes as specified in Act or Rules;
 - (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and Impact Assessment, if any, for the projects undertaken by the Company.
5. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Committee in terms of the provisions of Section 135 of the Act and Rules made thereunder.

(e) Risk Management Committee

The Company has a Risk Management Committee comprising of Non-Executive Independent and Non Independent Directors in accordance with Regulation 21 of Listing Regulations. The Committee assists the Board in fulfilling its oversight responsibilities with regard to the risk appetite of the Company, the Company's risk management framework and the governance structure that supports it. The Committee reviews the overall risk management policies and guidelines and implementation thereof.

The Risk Management Committee met 3 (three) times during the financial year 2020-21, i.e. on 27 October 2020, 18 December 2020 and 22 January 2021. The composition of Risk Management Committee as on 31 March 2021 and the attendance of members at its meeting are as under:

Sr. No.	Name of the Member	Designation	Number of Meetings	
			Held during tenure	Attended
1	Mr. Rajeev Kakar ⁽¹⁾ (Independent Director)	Chairperson	2	2
2	Mr. Narasimhan Seshadri ⁽²⁾ (Independent Director)	Member	3	3
3	Mr. Flemming Madsen (Non-Executive Director)	Member	3	2
4	Mr. Deepak Kumar Chatterjee (Independent Director)	Member	3	3
5	Ms. Jayashree Vaidhyanathan (Independent Director)	Member	3	3
6	Mr. Ashok Shah ⁽³⁾ (Independent Director)	Member	1	1

Notes:

- (1) Mr. Rajeev Kakar was appointed as Chairperson & member of the Committee with effect from 4 December, 2020.

CORPORATE GOVERNANCE REPORT (Contd.)

- (2) Mr. Narasimhan Seshadri step down as a Chairperson of the Committee with effect from 4 December, 2020. Mr. Seshadri continues to be a member of the Committee.
- (3) Mr. Ashok Shah ceased to be a member of the Committee with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.
- (4) The Company Secretary acts as the Secretary to the Risk Management Committee.

The Board periodically reviews our risk management policies, procedures and processes, which include the delegation of investment and financial responsibilities, the establishment of prudential investment norms, the approval and dissemination of guidelines and restrictions as well as the establishment of counterparty limits.

The terms of reference of Risk Management Committee of the Company shall include the following:

- (i) To set the risk profile of the UTI AMC /MF;
- (ii) To review the Mutual Fund's approach to risk management and approve changes or improvements to key elements of its processes and procedures;
- (iii) To recommend the modification(s)/ amendments in the Risk Management Policy, which shall include-
 - (a) A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (iv) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (v) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (vi) To periodically review the risk management policy at least once in a year including by considering the changing industry dynamics and evolving complexity;
- (vii) To review and provide guidance w.r.t. various risks being faced by the Organization, including investment Risks, Trading Risks, Operational Risks and Cyber-security risks;
- (viii) To recommend to the Board on changes to investment policies;
- (ix) To review in details the issues arising out of Quarterly Compliance Test Report;
- (x) To review the R&T related risks arising out of audit and/or inspection reports;
- (xi) To review the Compliance with Stewardship Policy on half-yearly basis;
- (xii) To review Business Continuity Plans on yearly basis;
- (xiii) To review the quantum of D&O Insurance Policy;
- (xiv) To coordinate its activities with other committees in instances where there is any overlap with activities of such committees as per the framework laid down by the board of directors;
- (xv) To review the appointment, removal and terms of remuneration of the Head-Risk management / Chief Risk Officer; and
- (xvi) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

(f) Digital Transformation Committee

The Board *vide* its circular resolution dated 4 December 2020 constituted Digital Transformation Committee considering the importance of cyber security, system and digital transactions. The Committee was constituted with an aim to ensure alignment of digital initiatives to the current and future strategic direction, minimize technology and investment risk and make recommendations related to funds budgeted for digital transformation initiatives.

The Digital Transformation Committee met once during the financial year 2020-21, i.e. on 4 February, 2021. The composition of the Committee as on 31 March 2021 and the attendance of members at its meeting are as under:

CORPORATE GOVERNANCE REPORT (Contd.)

Sr. No.	Name of the Member	Designation	Number of Meetings	
			Held during tenure	Attended
1	Ms. Jayashree Vaidhyanathan	Chairperson	1	1
2	Mr. Flemming Madsen	Member	1	1
3	Mr. Rajeev Kakar	Member	1	1
4	Ms. Dipali Sheth	Member	1	1
5	Mr. Imtaiyazur Rahman	Member	1	1

The terms of reference of the Digital Transformation Committee includes the following:

1. Assist the Board of Directors in fulfilling its oversight responsibilities. The Committee will monitor, evaluate and approve actions related to technology risk, cybersecurity and prioritization of major digital projects.
2. Assist the management team by providing industry expertise to the digital transformation strategy and initiatives.

The minutes of the aforesaid Board Committees meetings were also placed before the Board at regular intervals.

Remuneration to Directors

NON-EXECUTIVE / INDEPENDENT DIRECTORS

The Non-executive Directors are paid sitting fees for attending Board or Committee meetings either in person or through video conference/ audio means. Apart from sitting fees paid to Non-executive Directors, there were no other pecuniary relationships or transactions of Non-Executive Director *vis-à-vis* the Company. The amount paid as sitting fees is in accordance with the Act & Rules made thereunder and is approved by Board.

Further, the expenses incurred for attending the Board and other meetings are reimbursed to the Directors.

EXECUTIVE DIRECTORS

The remuneration paid to the Whole-time Director & CEO for the financial year 2020-21 is as under:

Name	Mr. Imtaiyazur Rahman
Salary (basic)	INR 59,36,004/-
Performance Bonus / Commission	INR 4,45,36,500/-
Company's Contribution to PF	INR 5,93,604/-
Perquisites and Allowances	INR 2,31,61,388/-
Other Benefits <i>viz</i> – Insurances, Pension, Club Membership.	INR 10,47,908/-
Gratuity	INR 4,94,469/-
Stock Option (Number of Options granted in FY 2020-21)	NIL

Mr. Imtaiyazur Rahman was appointed as Whole Time Director for a period of three years with effect from 23 August 2019 till 22 August 2022, not liable to retire by rotation.

General Body Meetings

(A) DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS ARE GIVEN BELOW:

The details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Financial Year	Date and Time	Venue	Special Resolution
2019-20	27 November, 2020 at 04:00 pm	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and Registered Office was deemed to be the venue of the meeting	1. Ratification of Article 129 of the Articles of Association of the Company; 2. Approval of the re-appointment of Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an independent director; 3. Approval of the re-appointment of Mr. Narasimhan Seshadri (DIN: 03486485) as an independent director.
2018-19	22 August 2019 at 04:30 pm	St. Andrew's Auditorium, St. Dominic Road, Bandra West, Mumbai 400 050	None
2017-18	25 September 2018 at 04:30 pm	Hotel Rangsharda, near Lilavati Hospital, Bandra Reclamation, Mumbai 400 050	None

CORPORATE GOVERNANCE REPORT (Contd.)

(b) Extra-Ordinary General Meeting

During the year under review, no Extraordinary General Meeting was held.

(c) Postal Ballot

No resolution was passed through postal ballot during the financial year 2020-21. There is no special resolution proposed to be conducted through postal ballot as on the date of this report.

Means of Communication

The Company's virtual space can be seen by visiting the web-portal: www.utimf.com. The website is used as a means of disclosing the information relevant to all stakeholders and for complying with the provisions of Listing Regulations. The disclosures specifically relevant to the shareholders of the Company are included in 'UTI AMC Shareholders' section of the website. The disclosures made to the Stock Exchanges, pursuant to the Listing Regulations, is available in this section as soon as reasonably practicable.

The Quarterly Results of the Company are published in Economic Times (English Newspaper) circulated in substantially whole of India and Maharashtra Times (Marathi / Vernacular Newspaper). The Company also issues press releases from time to time. Presentation made to Investors/ Analysts, Media, Institutional Investors etc. are available on the website of Stock Exchanges where the shares of the Company are listed as well as on the Company's website.

All periodical compliances, intimations and/or disclosures etc. are filed electronically to National Stock Exchange of India Limited and BSE Limited through their web based applications viz. NEAPS and the Listing Centre respectively.

General Shareholders Information

(A) EIGHTEENTH ANNUAL GENERAL MEETING

Day and Date	: Wednesday, 28 July 2021
Time	: 03:00 p.m. IST
Venue	: UTI Tower GN Block Bandra-Kurla Complex Bandra (East) Mumbai – 400 051 Maharashtra India (‘Deemed Venue’) (through Video Conference/ Other Audio Visual means)
E-voting period commences	: Sunday, 25 July 2021 at 09:00 a.m. IST
E-voting period ends	: Tuesday, 27 July 2021 at 05:00 p.m. IST
ISIN for depositories	: INE094J01016

(B) FINANCIAL YEAR

The Company's financial year starts from 1 April of every year and ends on 31 March of next year.

(C) DIVIDEND

Dividend Distribution Policy:

The Company has its Dividend Distribution Policy in place, which *inter-alia* specifies the parameters to be considered by the Board before declaring or recommending dividend, Circumstances under which the shareholders of the Company may or may not expect dividend and the manner in which retained earnings can be utilised.

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. The Policy is available on the website of the Company at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

Dividend Payment Date:

The Board of Directors are pleased to recommend a Final Dividend of INR 17/- per equity share of face value of INR 10/- each amounting to INR 215.54 crore for the financial year ended 31 March 2021. The Final Dividend, subject to the approval of Members at the Annual General Meeting to be held on Wednesday, 28 July 2021, will be paid to those equity shareholders: -

- whose name appears as beneficial owners as at the end of business hours on Wednesday, 21 July 2021 in the list of beneficial owners to be furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of the shares held in electronic form; and
- whose name appears as members in the register of members of the Company on Wednesday, 21 July 2021.

Pursuant to Section 91 of the Act and Regulation 42 of Listing Regulations, the register of members and share transfer books of the Company shall remain closed from Thursday, 22 July, 2021 to Wednesday, 28 July 2021 (both days inclusive) for determining the entitlement of the members to the dividend, if declared, for the financial year 2020-21.

Pursuant to the amendments made under the Income-tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Accordingly, your Company shall make the payment of the Final Dividend after deduction of tax at source.

(D) STOCK EXCHANGES

The Equity Shares of the Company are listed on the following Stock Exchanges:

CORPORATE GOVERNANCE REPORT (Contd.)

National Stock Exchange of India Limited (NSE)

Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The equity shares of the Company have not been suspended from trading on the stock exchanges or by any Regulatory / Statutory Authority.

(E) DEBT SECURITIES

The Company has not issued any Non-Convertible Debt Instruments during the year.

(F) LISTING FEES

Listing Fees, as prescribed, have been paid to both the Stock Exchanges where the equity shares of the Company are listed.

(G) SECURITIES CODE

Security	ISIN	BSE	BSE	NSE
		Scrip Code		Symbol
Equity	INE094J01016	543238		UTIAMC

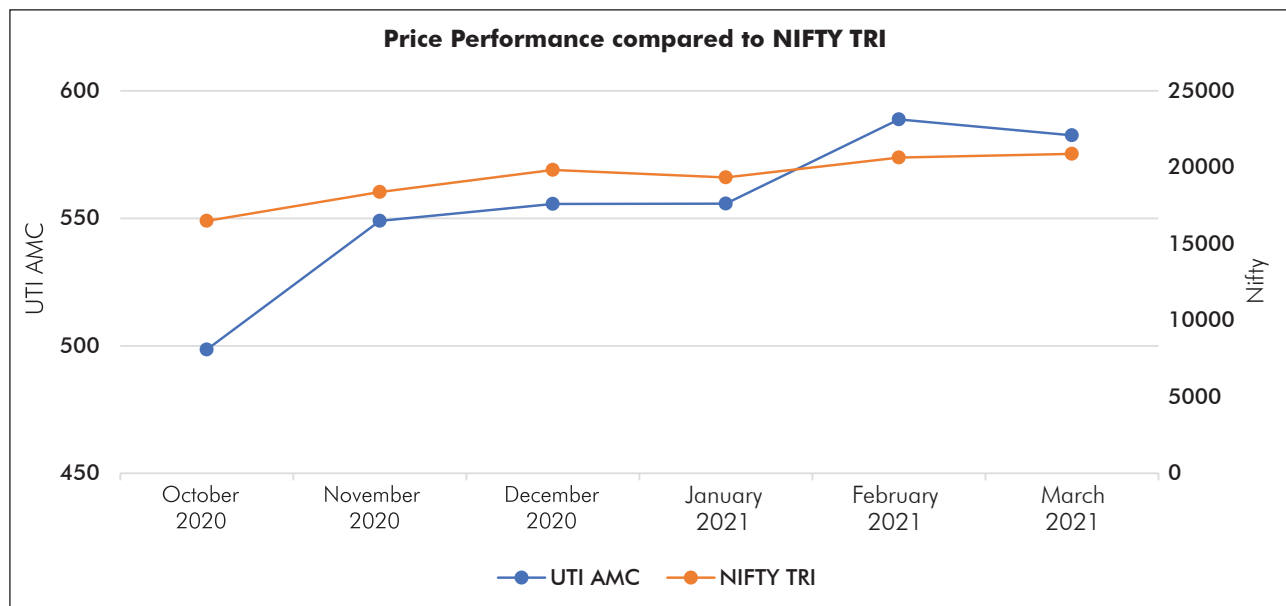
(H) STOCK PERFORMANCE

Since the listing of the Company, the price of Company's share - high, low and number of equity shares traded during each month in financial year 2020-21, on NSE and BSE, are as under:

Month	NSE			BSE		
	High (INR)	Low (INR)	No. of Shares traded	High (INR)	Low (INR)	No. of Shares traded
October 2020*	529.95	471.10	1,83,37,075	530.00	471.10	22,68,580
November 2020	561.05	483.10	1,01,65,003	560.95	483.00	7,29,014
December 2020	579.80	505.00	1,14,47,287	579.75	533.35	7,60,692
January 2021	595.80	539.45	73,28,582	608.40	539.80	5,78,044
February 2021	602.65	550.35	56,00,095	602.70	550.15	4,46,541
March 2021	624.00	547.55	45,75,084	623.95	545.00	4,23,399

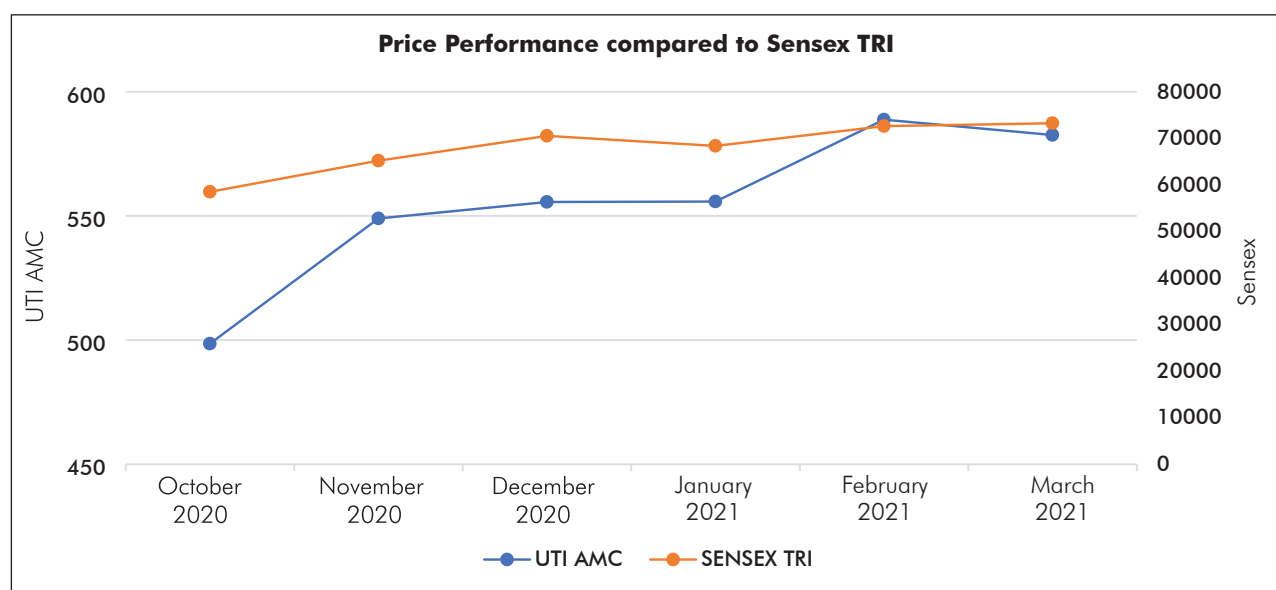
* The data for the month of October 2020 is from listing date i.e. 12 October 2020.

(I) PRICE PERFORMANCE COMPARED TO INDICES



The data for the month of October 2020 is from listing date i.e. 12 October 2020.

CORPORATE GOVERNANCE REPORT (Contd.)



The data for the month of October, 2020 is from listing date i.e. 12 October, 2020.

Sources: BSE and NSE Website

(J) SHARE TRANSFER SYSTEM

Pursuant to Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 and Listing Regulations as amended, equity shares of Companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior 1 April 2019 and returned due to deficiency in the document. Accordingly, in compliance with the aforesaid Rules, the Company has not processed any request for transfer of shares in physical form during 2020-21. **Shareholders are advised to dematerialise their shares held by them in physical form.**

Shares held in dematerialised form are electronically traded through the Depositories without any involvement of Company/Registrar & Share Transfer Agent.

The Registrar & Share Transfer Agent of the Company periodically receive updated beneficiary holdings from the Depositories for updation of records along with physical shareholding.

The Company obtains a half-yearly certificate from Practicing Company Secretary as per the requirement of Regulation 40 (9) of Listing Regulations certifying due compliance of share transfer formalities and same is filed with the Stock Exchanges.

(K) CATEGORY-WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021

Sr. No.	Category of Shareholders*	No. of Shareholders	Total No. of Shares	% of Shares held
1.	Mutual Funds	12	2,01,78,199	15.92
2.	Foreign Portfolio - Corporates	16	67,87,366	5.35
3.	Foreign Portfolio Investors	1	9,200	0.01
4.	Trusts	2	5,941	0.00
5.	Alternative Investment Fund	8	9,85,245	0.78
6.	Resident Individuals	2,06,862	87,31,546	6.89
7.	Insurance Companies	1	1,26,65,051	9.99
8.	Employees	759	9,05,901	0.71
9.	Non Resident Indians	1338	3,30,572	0.26
10.	Non Resident Indian - Non Repatriable	611	82,495	0.07
11.	Clearing Members	175	1,27,848	0.10
12.	Banks	3	4,46,51,485	35.22
13.	Qualified Institutional Buyer	3	10,08,463	0.80
14.	Bodies Corporates	201	7,41,567	0.58
15.	NBFC	2	65,000	0.05
16.	HUF	7471	3,50,279	0.28
17.	Foreign Corporate Bodies	1	2,91,61,069	23.00
18.	Foreign Nationals	1	27	0.00
Total		2,17,467	126,787,254	100.00

*Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

CORPORATE GOVERNANCE REPORT (Contd.)

(I) Distribution of Shareholding as on 31 March 2021:

Sr. No.	Category*	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 – 1,000	2,16,617	99.61	76,51,216	6.03
2	1,001 – 2,500	521	0.24	8,01,377	0.63
3	2,501 – 5,000	164	0.08	5,84,744	0.46
4	5,001 – 25,000	103	0.05	10,63,314	0.84
5	25,001 – 50,000	21	0.01	7,76,279	0.61
6	50,001 – 1,00,000	7	0.00	5,98,225	0.47
7	1,00,001 – 5,00,000	19	0.01	52,80,645	4.16
8	5,00,001 and above	15	0.01	11,00,31,454	86.78
	TOTAL:	2,17,467	100.00	12,67,87,254	100.00

*Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(M) DETAILS OF TOP TEN EQUITY SHAREHOLDERS OF THE COMPANY AS ON 31 MARCH 2021:

Sr. No.	Name of Shareholder*	Number of shares held	Percentage of shareholding (%)
1.	T. Rowe Price International Ltd.	2,91,61,069	23.00
2.	Punjab National Bank	1,93,21,383	15.24
3.	State Bank of India	1,26,65,051	9.99
4.	Life Insurance Corporation of India	1,26,65,051	9.99
5.	Bank of Baroda	1,26,65,051	9.99
6.	Mirae Mutual Fund	70,55,162	5.56
7.	ICICI Prudential Mutual Fund	58,38,685	4.61
8.	Invesco Trustee Private Limited - A/C Invesco India	34,76,080	2.74
9.	Lazard Emerging Markets Small Cap Equity Trust	16,97,990	1.34
10.	HSBC Global Investment Funds – Indian Equity	16,06,387	1.27

*Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(N) DEMATERIALIZATION OF SHARES

As on 31 March 2021, 99.81% of the share capital was held in dematerialized form. Break-up of shares held in physical and dematerialised form as on 31 March 2021 is follows:

Shareholding	No. of holders	% of total	No. of shares	% of total
Physical Form (A)	357	0.16	246005	0.19
Dematerialized Form	217806	99.84	126541249	99.81
NSDL (B)	109825	50.34	116462727	91.86
CDSL (C)	107981	49.50	10078522	7.95
Total (A+B+C)	218163	100.00	126787254	100

(O) OUTSTANDING GLOBAL DEPOSITORY RECEIPTS (GDRS) / AMERICAN DEPOSITORY RECEIPTS (ADRS) / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments in past years and hence there are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

(P) PLANT LOCATIONS

The Company is engaged in the business of financial services and as such has no plants. However, as of 31 March 2021, our distribution network includes 163 UTI Financial Centres (UFCs), 272 Business Development Associates (BDAs) and Chief Agents (CAs) (41 of whom operate Official Points of Acceptance (OPAs)) and 39 other OPAs, most of which are in each case located in B30 cities. Our IFAs channel includes approximately 56,600 Independent Financial Advisors (IFAs) as of 31 March 2021.

CORPORATE GOVERNANCE REPORT (Contd.)

(Q) REGISTRAR AND SHARE TRANSFER AGENT

The Company avails its share registry, transfer & related operational services from KFin Technologies Private Limited.

The details of Registrar and Share Transfer Agent of the Company are as under:

KFin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)

Selenium Tower B Plot 31-32 Gachibowli Financial District Nanakramguda Serilingampally Hyderabad – 500 032 Telangana.

Website: www.kfintech.com

E-mail: einward.ris@kfintech.com

Toll Free No.: 1800-309-4001

(R) COMPANY SECRETARY AND COMPLIANCE OFFICER OF THE COMPANY

Mr. Arvind Patkar

Company Secretary and Compliance Officer

UTI Tower GN Block Bandra-Kurla Complex Bandra (East)

Mumbai – 400 051 Maharashtra India

Email: cs@uti.co.in

Tel. No.: 022 6678 6666

(S) CREDIT RATING

The Company has not issued any debt instruments and hence, has not obtained any credit ratings during the year under review.

(T) DETAILS OF COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

As such, the Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed *vide* SEBI circular dated 15 November 2018, is not applicable.

Code for Prevention of Insider Trading

Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives (Code) provides a framework which deals with the internal procedures and conduct in dealing with the securities of the Company. The Code has been formulated in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Other Disclosures

(A) MATERIAL RELATED PARTY TRANSACTIONS

During the year under review, the Company has neither entered into any Material Related Party Transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement nor any transactions that may have potential conflict with the

interest of the Company at large. The details of transactions entered into with related party is disclosed in Note No. 31 of the financial statements.

The Company also discloses details of Related Party Transactions to Stock Exchanges on half-yearly basis pursuant to Regulation 23 of Listing Regulations.

In compliance with the provisions of Section 188 of the Act and Regulation 23 of Listing Regulations, the Company has its Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions in place, which *inter-alia* provides the guideline for disclosure, identification, approval, process for dealing and reporting of related party transactions. The said Policy is available on the website at <https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/>.

(B) DETAILS OF NON-COMPLIANCE, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST THREE YEARS

No penalties or strictures were imposed on the Company by the Stock Exchange, SEBI or any statutory authority on any matter related to the capital markets during the last three years.

(C) VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the Section 177 of Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers), 2014 and Regulation 22 of the Listing Regulations, the Company has adopted Whistle Blower Policy to supplement the codes of ethics, staff rules, anti bribery policy and anti-fraud policy of the Company. Through this policy, the Company intends to encourage its Employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. This Policy aims to provide a mechanism to ensure that concerns are properly raised, appropriately investigated and addressed.

The Company affirms that no personnel have been denied access to the Audit Committee of Board. The complaints, reports and actions taken, if any, are presented to the Audit Committee and the Board on a quarterly basis.

No complaints were received under Whistle Blower Policy during the financial year 2020-21.

(D) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

During the year under review, the Company has not raised any amount through preferential allotment or qualified institutions placement.

CORPORATE GOVERNANCE REPORT (Contd.)

(E) RECOMMENDATION OF COMMITTEE

During the year under review, there were no instances where the Board has not accepted recommendation of any Committee of the Board which is mandatorily required.

(F) MATERIAL SUBSIDIARY

The Board has formulated a Policy for determining Material Subsidiary in accordance with the provisions of Regulation 16(1)(c) and Regulation 24 of Listing Regulations.

In terms of said Policy, a Subsidiary shall be a Material Subsidiary if any of the following conditions are satisfied:

- net-worth of the Subsidiary exceeds 10% of the Company's consolidated net-worth in the immediately preceding accounting year; or
- income of the Subsidiary exceeds 10% of the Company's consolidated income in the immediately preceding accounting year.

As on 31 March 2021, the Company has only 1 (one) material subsidiary which is UTI International Ltd.

(G) FEES PAID TO STATUTORY AUDITORS

M/s. G. D. Apte & Co., Chartered Accountant were the Statutory Auditors of the Company. The details of fees paid by Company for all the services availed during financial year 2020-21, is given below:

(INR in crore)

Particulars	Amount
Audit Fees	0.37
Out of Pocket Expenses	-
Total	0.37

(H) DISCLOSURES IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of complaints received,

resolved and pending during the financial year ended 31 March 2021 under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are mentioned below:

Sr. No.	Particulars	No of Complaints
1.	Number of complaints filed during the year	Nil
2.	Number of complaints disposed of during the year	Nil
3.	Number of complaints pending as on year end	Nil

(I) UNCLAIMED DIVIDEND

In terms of Section 124 of the Companies Act, 2013, read together with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), as amended, any amount transferred to the Unpaid Dividend Account of the Company and which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund.

In the interest of the shareholders, the Company has also sent reminder to the shareholders to claim their dividend in order to avoid transfer of dividend to Investor Education and Protection Fund.

The details of unclaimed dividend are uploaded on the Company's website at <https://www.utimf.com/uti-amc-shareholders/unclaimed-dividend>.

(J) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company has opened a demat suspense account pursuant to Initial Public Offer made during the year under review. The details of equity shares lying in such demat suspense account/ unclaimed suspense account are as follows:

Sr. No.	Particulars	Number of Shareholders	Number of Equity Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April 2020	-	-
2	Aggregate number of shareholders and number of shares transferred to suspense account during 1 April 2020 to 31 March 2021	16	432
3	Number of shareholders who approached listed entity for transfer of shares from suspense account during 1 April 2020 to 31 March, 2021	13#	351
4	Number of shareholders to whom shares were transferred from suspense account during 1 April 2020 to 31 March 2021	11	297
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2021	5	135

* The date of allotment of shares pursuant to Initial Public Offer was 8 October 2020.

#2 (two) shareholders holding 27 (twenty-seven) equity shares each had approached the Registrar & Share Transfer Agent of the Company for transfer of equity shares lying in suspense account towards the end of the financial year ended 31 March 2021.

CORPORATE GOVERNANCE REPORT (Contd.)

The voting rights on the shares outstanding in the suspense account as on 31 March 2021 shall remain frozen till the rightful owner of such shares claims the shares.

(K) CEO/CFO CERTIFICATION

Mr. Imtaiyazur Rahman, Chief Executive Officer and Mr. Surojit Saha, Chief Financial Officer of the Company have furnished a Certificate to the Board of the Company in terms of Part B of Schedule II of Listing Regulations. A copy of this certificate forms part of this Report.

(L) AUDIT QUALIFICATIONS

There are no audit qualifications in the Statutory Auditor's Report of the Company for financial year ended 31 March 2021. Further, there are no audit qualifications in the Secretarial Auditor's Report of the Company for financial year ended 31 March 2021.

(M) CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

The Company has received a certificate from Mr. Vishal Manseta, Practicing Company Secretaries certifying that

none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. A copy of this certificate forms part of this report.

(N) COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements of Listing Regulations, specifically the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

Mr. Vishal Manseta, Practicing Company Secretary, have certified that the Company has complied with the mandatory requirements as stipulated under the Listing Regulations. The certificate forms part of this Report.

Date: 7 June 2021

Place: Mumbai

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members

UTI Asset Management Company Limited

I, Imtaiyazur Rahman, Chief Executive Officer of UTI Asset Management Company Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the 'Code of Conduct for Board of Directors and Senior Management Personnel' of the Company during the financial year ended 31 March 2021.

Place: Mumbai
Date: 7 June 2021

Imtaiyazur Rahman
Chief Executive Officer

CORPORATE GOVERNANCE REPORT (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
UTI Asset Management Company Limited
UTI Tower GN Block Bandra Kurla Complex
Bandra (E) Mumbai - 400051

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of UTI Asset Management Company Limited having CIN U65991MH2002PLC137867 and having registered office at UTI Tower GN Block Bandra Kurla Complex Bandra (E) Mumbai 400051 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the documents / information provided to me and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) done by me, as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31 March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority :

Sr. No.	Name of the Directors	DIN	Date of Appointment in the Company
1.	Mr. Dinesh Kumar Mehrotra	00142711	11 April 2017
2.	Mr. Edward Cage Bernard	08243277	01 October 2018
3.	Mr. Flemming Madsen	02904543	20 January 2010
4.	Mr. Narasimhan Seshadri	03486485	14 October 2016
5.	Mr. Deepak Kumar Chatterjee	03379600	25 September 2018
6.	Mr. Rajeev Kakar	01888608	20 November 2019
7.	Ms. Dipali Hemant Sheth	07556685	20 November 2019
8.	Ms. Jayashree Vaidhyanthan	07140297	20 November 2019
9.	Mr. Imtaiyazur Rahman	01818725	28 April 2019
10.	Ms. Uttara Dasgupta#	06570950	14 October 2016
11.	Mr. Ashok Shah*	01194846	07 May 2019

Ms. Uttara Dasgupta ceased to be an Independent Director of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020 due to the completion of her term.

* Mr. Ashok Shah had resigned from the directorship of the Company with effect from the conclusion of the 17th Annual General Meeting held on 27 November 2020.

Ensuring the eligibility of directors for the appointment or continuity of Directors on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Vishal N. Manseta**
(Practicing Company Secretary)

Place: Mumbai
Date: 26 May 2021
UDIN: A025183C000374037

Vishal N. Manseta
M. No: 25183
C.P. No: 8981

CORPORATE GOVERNANCE REPORT (Contd.)**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

as per provisions of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members

UTI Asset Management Company Limited

UTI Tower GN Block Bandra Kurla Complex
Bandra (E) Mumbai - 400051

I have examined the compliance of conditions of Corporate Governance by UTI Asset Management Company Limited ("the Company") for FY 2020-21 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The equity shares of the Company got listed on October 12, 2020.

Based on the information provided and according to the explanations given to me and taking into account the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India in view of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as specified in SEBI LODR. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The compliance of 'Corporate Governance Conditions' is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with those conditions. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

For **Vishal N. Manseta**
(Practicing Company Secretary)

Place: Mumbai
Date: 26 May 2021
UDIN: A025183C000374037

Vishal N. Manseta
M. No: 25183
C.P. No: 8981

BUSINESS RESPONSIBILITY REPORT

(Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

A. PREAMBLE

UTI Asset Management Company Limited (the 'Company/UTI AMC') is the investment manager of UTI Mutual Fund and as an asset manager, fundamental analysis is the foundation of investment decisions. The Company endeavour to understand the long-term sustainability of investee company's business model and the factors that could cause it to change.

UTI AMC hereby place a Business Responsibility Report for financial year 2020-21 aligned to the nine principles as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) prescribed by Ministry of Corporate Affairs and is in accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company endeavour to monitor and give due consideration to foregoing principles as a part of responsible investing. The disclosures made under this report provide transparent and relevant information to all the stakeholders on the efforts and performance against each such principle.

B. GENERAL INFORMATION

1.	Corporate Identity Number (CIN)	U65991MH2002PLC137867
2.	Name of the Company	UTI Asset Management Company Limited
3.	Registered address	UTI Tower GN Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051
4.	Website	https://utimf.com/
5.	E-mail id	cs@uti.co.in
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)*	6630
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Asset Management (Mutual Funds)
9.	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations	UTI International Limited, a subsidiary of the Company, has offices in Singapore, Dubai, Guernsey and London.
	(b) Number of National Locations	163 UTI Financial Centres (UFCs).
10.	Markets served by the Company – Local/State/National/ International	Pan India and several International markets

* Source: National Industrial Classification for India (NIC) 2008 List.

C. FINANCIAL DETAILS

1.	Paid up Capital (INR)	INR 126.79 crore*
2.	Total Income (INR)	INR 968.15 crore*
3.	Total profit after taxes (INR)	INR 351.67 crore*
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	4.09%
5.	List of activities in which expenditure in 4 above has been incurred:	
	(a) Community Development/ Rural Development – 1 Project	
	(b) Health – 9 Project	
	(c) Education– 4 Project	

* Standalone

D. OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].	No. None of the entity / entities with whom Company does business, participates in the BR initiatives of the Company. However, such entities may have their own BR initiatives.

BUSINESS RESPONSIBILITY REPORT (Contd.)

E. DESCRIPTION OF PRINCIPLES:

The National Voluntary Guidelines ('NVGs') on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs, consists of nine principles to assess compliance with environmental, social and governance norms referred to as P1-P9 as mentioned below:

P1	: Businesses should conduct and govern themselves with ethics, transparency and accountability;
P2	: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
P3	: Businesses should promote the well-being of all employees;
P4	: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;
P5	: Businesses should respect and promote human rights;
P6	: Business should respect, protect and make efforts to restore the environment;
P7	: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
P8	: Businesses should support inclusive growth and equitable development;
P9	: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details on each of the principles are provided in Section G.

F. BR INFORMATION

1. Details of Director/Directors responsible for BR and BR Head

(A) DETAILS OF THE DIRECTOR/DIRECTORS RESPONSIBLE FOR IMPLEMENTATION OF THE BR POLICY/ POLICIES:

(i) DIN Number	01818725
(ii) Name	Mr. Imtaiyazur Rahman
(iii) Designation	Whole-time Director & Chief Executive Officer
(iv) Telephone number	022 6678 6666
(v) E-mail Id	Investor.relations@uti.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

(A) DETAILS OF COMPLIANCE (REPLY IN Y/N)

No.	Questions	Principles								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, all policies are in accordance with all national standards and international standards, wherever applicable.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all policies which are necessarily to be framed under any law or statute are approved by the Board and other internal policies are approved by concerned authority. All statutory policies have been signed by Whole-time Director & CEO.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Board, through its various committees and the delegated authority as per the policy, oversee the implementation of these policies of the Company.								
6.	Indicate the link for the policy to be viewed online?	All publicly disclosed policies are available on the website of the Company at weblink - https://www.utimf.com/uti-amc-shareholders/corporate-governance/code-and-policies/								

BUSINESS RESPONSIBILITY REPORT (Contd.)

No.	Questions	Principles								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?					Yes.				
8.	Does the Company have in-house structure to implement the policy/ policies?					Yes.				
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?					Yes.				
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?					Yes.				

(B) IF ANSWER TO THE QUESTION AT SERIAL NUMBER 1 AGAINST ANY PRINCIPLE IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

No.	Questions	Principles								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles					NA				
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- The BR performance of the Company will be assessed Annually.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- The Company got listed on the nationwide stock exchanges of India viz. BSE Limited and National Stock Exchange of India Limited on 12 October, 2020 and subsequently, the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became applicable to the Company. So, this is the first time the Company is placing this report before its stakeholders.

The Company shall be publishing this report annually as a part of Annual Report and it will be available on the website at the weblink: <https://www.utimf.com/uti-amc-shareholders/financials-filings/annual-reports/>

G. PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
- The Company has following policies/procedures in place:
 - The Anti-Bribery policy which applies to all employees and Directors of UTI AMC, constituents, Group, Service Providers, etc.
 - The Code of Conduct for its Directors and Senior management personnel which guides them to conduct business in accordance with legal and ethical values to which the Company is strongly committed.
 - The UTI AMC (Staff) Rules, 2003, as amended from time to time which, *inter-alia*, consists of provisions of conduct and discipline for employees of the Company.

BUSINESS RESPONSIBILITY REPORT (Contd.)

- (d) The Anti-Fraud Policy applies to all employees and Directors of UTI AMC, constituents, Group, Service Providers, etc.
 - (e) The Whistle Blower Policy applies to all employees and Directors of UTI AMC, constituents, Group, Service Providers, etc.
 - (f) The “UTI Equal Opportunity Policy” applies to all employees and Directors of UTI AMC, constituents, Group, Service Providers, etc.
 - (g) The Prevention of Money Laundering policy applies to all employees and Directors of UTI AMC, constituents, Group, Service Providers, etc.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?
- During the year, the Company received total 19 complaints from its shareholders and out of which, 18 complaints were resolved by end of the year and 1 complaint lately in the month of April 2021.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- Following are the products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:
 - a) UTI Mutual Fund offers a facility called ‘CanServe’ for investments under UTI Hybrid Equity Fund, UTI Arbitrage Fund and UTI Mastershare Unit Scheme, which has an agreement with St. Jude India Child Care Centres (St. Judes), a not-for-profit organization in India that provides free of charge shelter and holistic care to children who are undergoing cancer treatment along with their families. ‘CanServe’ will enable investors to contribute their income received (previously known as dividend payouts) if they are under dividend payout option or specified amounts as desired, if they are under growth option towards a medical cause. Contributions under “CanServe” facility will go to the St. Judes as donation towards medical or social cause for needy and under-privileged children who are being treated for cancer and to their families during the period of the child’s treatment.
 - b) The Company uses its website and several digital platforms as a means of communication with its stakeholders towards achieving its green initiative of paperless offices. Following are some of those:
 - (i) Online Agent Empanelment is available on UTI Mutual Fund’s website which helps on-boarding valid ARN holders without any paperwork.
 - (ii) Insta Access Facility has been allowed exclusively to the investors under UTI Liquid Cash Plan Growth Option wherein the investors receive redemption amount instantly into their bank account. The facility is available only through UTI Mutual Fund’s website and UTI Mutual Fund mobile app.
 - (iii) Digital KYC: The facility to complete KYC of the investor is available on the website of UTI MF. This enables the investor to complete the KYC without physically visiting any of UTI MF’s office and without filling any forms or submitting any documents.
 - (iv) To enhance convenience, facility to transact through Whatsapp is available to existing investors of UTI Mutual Fund.
 - (v) UTI Buddy is the virtual office for distributors. This utility made available free for exclusive use of distributors to enhance their reach. It enables the distributors to initiate / recommend transactions for the investor in the mobile app.
 - (vi) Digital Transaction System (DTS) which was initially available only to Institutional Channel is now open to all high value transactions of all channels.
 - (vii) eOTM – A completely paperless process of registration of onetime mandate using NPCI’s secured NACH platform is available to the UTI MF investors. This is faster way of registration of mandate compared to paper based mandate. The mandate is registered within 3 days and ensures no rejections as the registration process is in entirety in the hands of the investor.
 - (viii) More features added in several digital platforms for investors:
 - a) New payment mode, Unified Payment Interface (UPI) has been introduced.
 - b) On logging in to Company’s website, investors with their credentials, can download their statement of accounts in addition to opting for the mail back service.
 - c) Under i-SIP, investors are taken seamlessly to their registered bank’s website for completion of iSIP process with their bank.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
- Not Applicable

BUSINESS RESPONSIBILITY REPORT (Contd.)

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
 - Not Applicable
 - (a) If yes, what percentage of your inputs was sourced sustainably?
 - Not Applicable
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - Yes. The Company procures small items like newspaper & flowers from local vendors. Company's housekeeping staff, electrical staff & security personnel are appointed from local communities who have taken all the regulatory approvals.
5. Does the Company have a mechanism to recycle products and waste?
 - Yes. The Company have recycling policy for old computers and laptops. The old scrap material of Company is given to local vendors for recycling.

Principle 3 - Businesses should promote the wellbeing of all employees.

1. Please indicate the Total number of employees.
 - The Company has total 1,474 employees on roll (This includes employees of UTI AMC, UTI RSL, UTI International & UTI Capital).
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
 - Nil.
3. Please indicate the Number of permanent women employees.
 - The Company has total 373 permanent women employees.
4. Please indicate the Number of permanent employees with disabilities.
 - The Company has total 3 permanent employees with disabilities.
5. Do you have an employee association that is recognized by management?
 - The Company's non-managerial staff are part of the Union – All India Unit Trust Employees Associations (AIUTEA).
6. What percentage of your permanent employees is members of this recognized employee association?
 - 27.2% of our Permanent Employees (Non-Managerial Staff) are part of the Union- AIUTEA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
 - Following are the detail of complaints:

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
 - The category-wise percentage of safety & skill upgradation training given are as follows:
 - (a) Permanent Employees – 22.7%
 - (b) Permanent Women Employees – 19.6%
 - (c) Casual/Temporary/Contractual Employees - NA
 - (d) Employees with Disabilities – 0%

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No
 - Yes, the Company has mapped its internal and external stakeholders. The internal stakeholders *inter-alia*, includes employees and distributors and external stakeholders *inter-alia*, includes Shareholders/ Investors, Customers, and Regulatory Bodies.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
 - No.

BUSINESS RESPONSIBILITY REPORT (Contd.)

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof in about 50 words or so.
 - Not Applicable

Principle 5 - Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
 - Yes, for applicable areas.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
 - During the year, the Company received total 19 complaints from its shareholders and out of which, 18 complaints were resolved by end of the year and 1 complaint lately in the month of April, 2021.

Principle 6 - Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?
 - Yes, the policy related to Principle 6 covers the Company as well as all its subsidiaries.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
 - The Company has adopted digital Document Management System (DMS) under the name "uti e-way" with the aim of green initiative and becoming a paperless office with a work environment in which the use of paper is eliminated or greatly reduced.
Further, at the Company's registered office, all the faucets are automatic to avoid wastage of water. The smart lighting system has been installed across various floors which automatically gets 'switched-off' when there is no person present.
3. Does the Company identify and assess potential environmental risks? Y/N
 - Yes
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
 - No
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.
 - The Company has undertaken steps for energy efficiency initiatives which have been highlighted in point no. 2 of this principle above.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
 - Not Applicable.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
 - Not received any notice from CPCB/ SPCB.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - (a) The Company being in the business of Asset Management, is a part of self-governing body called Association of Mutual Funds in India ('AMFI');
 - (b) UTI AMC Group is a signatory to United Nations – Principles of Responsible Investing framework;
 - (c) UTI AMC is also a member of Confederation of Indian Industry (CII).

BUSINESS RESPONSIBILITY REPORT (Contd.)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas.
 - Yes. The Company conducts investor education programmes for mutual funds in line with AMFI guidelines.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.
 - In accordance with the CSR objective of the Company, the Company's CSR Initiatives supplement its contribution in environment protection, development of healthy and enlightened citizens, social upliftment and sustainable community development through its service, conduct & social initiatives.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
 - During the financial year 2020-21, the Company carried out, *inter-alia*, a community development project through an external NGO viz. **Gramin Vikas Vigyan Samiti**.
3. Have you done any impact assessment of your initiative?
 - As this project was a part of Company's CSR initiatives, the impact assessment will be carried out in accordance with MCA guidelines.
4. What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.
 - The Company contributed ~ INR 1.40 crore to the Gramin Vikas Vigyan Samiti for carrying out a community development project comprising of enhancing water security & health in Thar desert region as a part of its CSR initiatives. The details of CSR activities are available in the relevant annexure to the Directors' Report forming part of this Annual report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?
 - The project has been designed using a Theory of Change methodology and includes a detailed implementation plan to ensure acceptance amongst the community members. The project plan includes robust training on decentralized governance and capacity building activities on resource management to ensure community ownership of the project. Additionally, a percentage of the project cost is also borne by the community members themselves. Once completed, the company will undertake an impact assessment of the project in accordance with the MCA guidelines on CSR.
 - Yes. The Company has engaged Tata Institute of Social Sciences (TISS) to carry out impact assessment of the CSR Initiatives.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Year	Scheme related Complaints	Complaints pending	% of complaint pending
2020-21	66	0	0.00

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)
 - Yes. The Company complies with all the disclosure requirements prescribed by SEBI and AMFI on product labelling.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.
 - Nil.
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
 - Yes, during the financial year 2020-21, approx. 38,000 survey links were sent to the Company's investors and received response from approx. 6000 investors sharing their feedback about the services. Average Net Promoter Score (NPS) stood at 94.07%. Ga. Rehent que nimusdaerio veristo tatque molutat usapici issimin nonsent, tem ilis eari sit eumque vella aut aut

CEO AND CFO CERTIFICATION IN RESPECT OF THE FINANCIALS FOR THE YEAR ENDED 31 MARCH 2021

Board of Directors

UTI Asset Management Company Limited

We, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31 March 2021 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

Place: Mumbai
Date: 28 April 2021

Surojit Saha
Chief Finance Officer

Imtaiyazur Rahman
Chief Executive Officer & Whole Time Director