

HDFC ASSET MANAGEMENT COMPANY LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Approved and adopted by the Board of Directors at its meeting held on February 28, 2018

Last reviewed on: January 14, 2026.

1. Introduction:

In accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), HDFC Asset Management Company Limited (“Company”) has formulated this policy for determining its “material” subsidiary (ies). This policy is called “Policy for Determining Material Subsidiary” (“Policy”). The Company does not have any material subsidiary as on the date of approving this Policy.

2. Definitions:

“**Board of Directors**” or “**Board**” means the Board of Directors of HDFC Asset Management Company Limited, as constituted from time to time;

“**Company**” means HDFC Asset Management Company Limited;

“**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

“**Policy**” means “Policy for Determining Material Subsidiary”;

“**Subsidiary**” means a subsidiary as defined under the Companies Act, 2013 and the rules made thereunder.

Words, terms and expressions used and not defined herein shall have the same meaning as assigned to those terms under the Listing Regulations, the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956 or any other Applicable Laws or regulations, as the case may be.

3. Determination of Material Subsidiary:

A subsidiary shall be considered a material subsidiary if any of the following conditions are satisfied:

- i. Net-worth of the subsidiary exceeds 10% of the consolidated net-worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- ii. Turnover of the subsidiary exceeds 10% of the consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year.

4. Policy and Procedures:

- (1) The Audit Committee of Board shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- (2) At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary, whether incorporated in India or not.

For this sub clause, “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- (3) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- (4) The Board shall be provided with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary of the Company.
- (5) The Company shall obtain a prior approval of its shareholders by way of special resolution to:
 - a. dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary;
 - b. Sell, dispose and lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

However, the above will not apply if the divestment, sale, disposal or lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved and where sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company, if any.
- (6) The Company shall follow such governance procedures in relation to material subsidiary as may be outlined in the Listing Regulations and the Companies Act, 2013 (Act), from time to time.

5. Disclosure and Review

This Policy shall be hosted on the website of the Company. A link thereto may be provided in the Annual Report of the Company. The Board of Directors shall review this Policy annually or shall make such alterations to this Policy as and when necessitated or as deemed fit, provided they are not inconsistent with the provisions of the applicable laws.

6. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.