



**UTI ASSET MANAGEMENT COMPANY**  
**LIMITED**

**POLICY FOR DETERMINATION OF MATERIALITY**

(Updated upto 28<sup>th</sup> October, 2021)

## **1. Introduction:**

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), UTI Asset Management Company Limited (“the **Company**”) has framed a policy for determination of materiality for disclosure of events or information (“**Policy**”) to BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”), based on the criteria specified in the SEBI Listing Regulations.

## **2. Objective**

- 2.1 The Company has to ensure that prompt disclosure of material information and events as mentioned in the SEBI Listing Regulations are submitted to the stock exchange(s), where the securities of the Company are listed;
- 2.2 To ensure that the information disclosed is adequate, accurate and transparent so that the present and potential investors are able to take informed decision relating to their investment in the Company;
- 2.3 This Policy shall act as a guidance for determining materiality of such information and event.

## **3. Definitions:**

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

In this Policy, unless the contrary intention appears:

- (i) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- (ii) a reference to a clause number includes a reference to its sub-clauses;
- (iii) words in singular number include the plural and vice versa.

## **4. Scope of the Policy:**

The Policy shall be applicable to all the events which fall under the criteria as disclosed under the section relating to “Disclosure of events or information to Stock Exchanges”. This Policy shall be read along with the Company’s Policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**5. Key Managerial Personnel authorized to determine materiality:**

- 5.1 The Whole Time Director / Chief Executive Officer / Managing Director or the Company Secretary shall be the authorized Key Managerial Personnel (“KMP”) to determine the materiality of an event or information and for the purpose of making disclosure to the stock exchanges.
- 5.2 The details to be provided while disclosing a Material event/information shall be based on the criteria/guidance laid down under the SEBI Listing Regulations and circulars issued from time to time.
- 5.3 The KMP shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any event/information.

**6. Disclosures of events or information to stock exchanges:**

- 6.1 The events or information which shall be disclosed to the Stock Exchanges are divided into three categories as specified in Part A of Schedule III of the SEBI Listing Regulations:

**(A) Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

Explanation. - For the purpose of this sub-para, the word 'acquisition' shall mean, -

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
  - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - b) any cancellation of dividend with reasons thereof;
  - c) the decision on buyback of securities;
  - d) the decision with respect to fund raising proposed to be undertaken
  - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g) short particulars of any other alterations of capital, including calls;
  - h) financial results;
  - i) decision on voluntary delisting by the Company from stock exchange(s):

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

- (7A) In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- (7B) Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- i. The letter of resignation along with detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - (ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
  - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause i and ii above.
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (i) Decision to initiate resolution of loans/borrowings;
  - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
  - (iii) Finalization of Resolution Plan;
  - (iv) Implementation of Resolution Plan;
  - (v) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.

12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. (a) Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

- (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
- (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
  - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;

- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
  - (i) Pre and Post net-worth of the company;
  - (ii) Details of assets of the company post CIRP;
  - (iii) Details of securities continuing to be imposed on the companies' assets;
  - (iv) Other material liabilities imposed on the company;
  - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
  - (vi) Details of funds infused in the company, creditors paid-off;
  - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
  - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
  - (ix) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
  - (x) Brief description of business strategy.
- m) Any other material information not involving commercial secrets;
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS;
- p) The details as to the delisting plans, if any approved in the resolution plan.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

- (a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- (b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

**(B) Events which shall be disclosed to the Stock Exchanges upon application of the test/guidelines for materiality.**

The following are the key principles for determination of materiality for disclosure to Stock Exchanges:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- (iii) in case where the criteria specified in (i) and (ii) are not applicable, any event/information which in the opinion of the board of the Company, is considered material and needs disclosure.

The KMP shall determine on the disclosure of events or information to the Stock Exchanges based on the application of the test of materiality as mentioned above. In addition to this, the KMP shall determine materiality on a case to case basis depending on specific facts/circumstances relating to the information/event and apply such other qualitative/quantitative criteria if required and as may be deemed appropriate to the events.

The quantitative criteria shall be read in conjunction with the qualitative criteria for determining the materiality and arriving at the overall decision.

The events mentioned below shall be disclosed based on the application of the test of materiality:

Sr. No.	Events / Information	Threshold Criteria
1.	Commencement or any postponement in the date of commencement of commercial operations of any	No threshold limit



Sr. No.	Events / Information	Threshold Criteria
	unit/division	
2.	<p>Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business; or</p> <p>Closure of operations of any unit/division – (entirety or piecemeal)</p>	Impact exceeding 10 % of the income of the Company as per the last audited consolidated financial statements for each transaction
3.	Capacity addition or product launch	Depending on the Materiality of the event/information
4.	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business	Award or contract amount not exceeding 10 % of the income of the Company as per the last audited consolidated financial statements for each transaction
5.	Agreements ( <i>viz.</i> loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof)	<p>Borrowings for a minimum period of 3 years for an amount exceeding 10 % of the Net Worth of the Company as per the last audited consolidated financial statements for each transaction</p> <p>All other agreements which are entered into not in the normal course of business having a value exceeding 10% of the income as per the last audited consolidated financial statements for each transaction</p>

Sr. No.	Events / Information	Threshold Criteria
6.	Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or events such as strikes, lock-outs etc.	<p>Disruption of operations due to natural calamity/force majeure, with estimated impact exceeding 10 % of the income of the Company as per the last audited consolidated financial statements for each transaction.</p> <p>In case of strikes or lock-outs etc., complete closure of any branch for a continuous period of at least 15 days.</p>
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company	Impact of which exceeds 10% of the income of the Company as per the latest audited consolidated financial statements. Where the impact is 10% or less, the Company Secretary will decide the matter in consultation with the key managerial personnel

<b>Sr. No.</b>	<b>Events / Information</b>	<b>Threshold Criteria</b>
8.	Litigation(s)/dispute(s)/regulatory action(s) with impact	<p>Outcome of any single litigation/dispute determined by courts of law [(not below the High Court)] or individual matters with similar case of action (which shall be aggregated) and regulatory action having an impact of not less than 10% of the income of the Company as per the last audited consolidated financial statements.</p> <p>No threshold limits on all regulatory actions, criminal, environmental matters and matters resulting from the breach of securities laws. However, the above materiality parameters will also apply to the directors, promoter and key managerial personnel of the Company, except where the litigation is of a purely personal nature and unlikely to affect the involved director's, promoter's or key managerial personnel's ability to discharge its responsibilities towards the Company.</p> <p>For non-quantifiable matters, the Company Secretary shall determine materiality on a case to case basis.</p>

Sr. No.	Events / Information	Threshold Criteria
9.	Frauds/defaults by directors (other than key managerial personnel) or employees of the Company. RBI has laid down a regulatory framework for all companies with respect to reporting of frauds. The authorised KMP while determining the materiality of disclosure relating to this item would be guided by the decision of the Fraud Monitoring Committee constituted by the board in accordance with RBI guidelines to review the frauds and decide on the need for disclosing the same	Financial Impact of Rs 5 Crore or more.
10.	Options to purchase securities, including any employees stock option plan/ employees stock purchase scheme	2% of the issued and outstanding share capital of the Company, or which would (along with existing shareholding) result in the person granted the options holding more than 2% of the issued and outstanding share capital of the Company.
11.	Giving of guarantees or indemnity or becoming a surety for any third party	Amount exceeding 10 % of the income of the Company as per the last audited consolidated financial statements.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	Granting, withdrawing, surrender, cancellation or suspension of the key license or regulatory approvals the impact of which would exceed 10 % of the income of the Company as per the last audited consolidated financial statements.

- (C) Any other event/information that is likely to affect business of the Company.

Such events may include but not limited to the following:

1. Change in accounting policy that may have a significant impact on the accounts of the Company.
2. Any other event which is in the nature of major development that is likely to affect business of the Company.
3. Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to apprise its position and to avoid the establishment of a false market in such securities.

- (D) Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.

- (E) The Company shall disclose all events or information with respect to subsidiaries which are material to the Company in accordance with the policy determining material subsidiary adopted by the board of directors of the Company.

**7. Guidance on when an event/information is deemed to be occurred:**

- 7.1. The events/information shall be said to have occurred upon approval of board of the Company in certain events, for example further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. board of the Company and shareholders of the Company.
- 7.2. Certain events which are price sensitive in nature like declaration of dividends etc. shall be deemed to have occurred and disclosed on approval of the board of the Company pending shareholder's approval.
- 7.3. Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event/information.

**8. Review:**

- 8.1. The Audit Committee may monitor and review the Policy and recommend the necessary changes to the Board for its approval.

8.2. The Audit Committee shall review the Policy at least once in a year.

**9. Conflict:**

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

**10. Amendments:**

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

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

**11. Disclosures on Website:**

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival process followed by the Company.

**12. Effective Date:**

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

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

<b>Number of times, policy amended</b>	<b>Board Meeting Date</b>
1 <sup>st</sup> Amendment	28 <sup>th</sup> October, 2020
2 <sup>nd</sup> Amendment	28 <sup>th</sup> October, 2021

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