



UTI ASSET MANAGEMENT COMPANY LIMITED

POLICY FOR DETERMINATION OF MATERIALITY

(Updated upto 1st February, 2023)

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1. INTRODUCTION:

- 1.1. The Board of Directors (the Board) of UTI Asset Management Company Limited (the Company) has adopted the ‘Policy for determination of materiality of events / information’ (**Policy**) in compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).
- 1.2. The Policy shall be read along with the Company’s Policy on ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’ framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition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.

2. OBJECTIVE:

- 2.1. The object of the Policy is:
 - i. to ensure prompt disclosure of material information and events as mentioned in the Listing Regulations to the stock exchanges, where the securities of the Company are listed; and
 - ii. 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.
- 2.2. The Policy shall act as a guidance for determining materiality of such information and event.

3. DEFINITIONS:

- 3.1. “Key Managerial Personnel” or “KMP”, in relation to the Company, shall mean:
 - i. the managing director or chief executive officer or manager;
 - ii. the whole-time director;
 - iii. the company secretary;
 - iv. the chief financial officer;
 - v. such other officer, not more than one level below the directors who is in whole - time employment, designated as key managerial personnel by the Board; and
 - vi. such other officer as may be prescribed.
- 3.2. “Working days” means working days of the stock exchange where the equity shares of the Company are listed.

4. INTERPRETATION:

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

5. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY:

- 5.1. The Managing Director, Chief Executive Officer, Whole Time Director and / or the Company Secretary shall be the authorized KMP for the purpose of determining 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 Listing Regulations and circulars issued from time to time.
- 5.3. The contact details of authorized KMP shall be disclosed to the stock exchanges and on the website of the Company and the same shall be updated as and when any changes takes place in the said KMP.

6. DISCLOSURE OF EVENTS OR INFORMATION TO STOCK EXCHANGES:

- 6.1. Events which shall be disclosed without any application of the guidelines for materiality as per Para A of Part A of Schedule III of the Listing Regulations are provided under *Annexure – I* of the Policy:

- 6.2. Events / information specified under Para B of Part A of Schedule III of the Listing Regulations shall be disclosed after considering the following criteria for determination of materiality of events / information:
- 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) above are not applicable, an event / information may be treated as being material if in the opinion of the Board, the event / information is considered material.

The KMP shall determine the materiality of events or information based on the aforesaid guidelines.

- 6.3. 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.
- 6.4. The event / information specified in Para B of Part A of Schedule III of the Listing Regulations shall be disclosed to the stock exchanges upon application of the test / guidelines for materiality and the same are provided in **Annexure – II** of the Policy.
- 6.5. Any other event / information which may include but not limited to the following:
- i. Change in accounting policy that may have a significant impact on the accounts of the Company;
 - ii. Any other event which is in the nature of major development that is likely to affect business of the Company;
 - iii. 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.

- 6.6. With respect to disclosures made under sub-clause 6.1, 6.4 and 6.5 above, the Company shall continue to make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- 6.7. In case where an event occurs or an information is available with the Company, which has not been indicated or covered under sub-clause 6.1, 6.4 and 6.5 above, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.
- 6.8. The information under sub-clause 6.1, 6.4 and 6.5 above shall be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence or within the prescribed timelines. In case, the disclosure is made after twenty four hours from the occurrence of the event / information, the Company shall, along with such disclosures provide explanation for the delay.
- 6.9. The Company shall disclose all events / information with respect to subsidiary which is material to the Company in accordance with the 'Policy for determining Material Subsidiary' adopted by the Board of the Company.

7. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED:

- 7.1. An event / information shall be said to have occurred upon approval of the Board of the Company in certain cases, for example further issue of capital by rights issuance and in certain cases, 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, disruption or of nature beyond the control of the Company can be said to have occurred when the Company becomes aware of such event/information.

8. REVIEW:

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

9. CONFLICT:

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

10. AMENDMENT(S):

10.1. The Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations and/or other applicable laws or as may be prescribed by the Audit Committee or the Board from time to time.

10.2. Any subsequent amendments, modification or supplementation to the Policy shall be effective from the date of approval of Board, unless specified otherwise.

11. DISCLOSURES:

11.1. The Company shall disclose on its website, all such events or information which has been disseminated to the stock exchanges under the Listing Regulations and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the ‘Web Archival Policy’ of the Company.

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

12. EFFECTIVE DATE:

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

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

Number of times, policy amended	Board Meeting Date
1 st Amendment	28 th October, 2020
2 nd Amendment	28 th October, 2021
3 rd Amendment	1 st February, 2023

Annexure-I

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 as given by the said director.

- (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 disclosures 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.

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; and
 - 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.

Annexure-II

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 unit/division	Depending on the materiality of the event / information.
2.	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 closure of operations of any unit/division – (entirety or piecemeal)	Impact exceeding the lower of 10 % of the Turnover/Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year 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 the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year for each transaction.
5.	Agreements (viz. 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	Borrowings for a minimum period of 3 years for an amount exceeding 10 % of the Net Worth of the Company as per the audited standalone financial statements of the immediately preceding financial year for each transaction.

Sr. No.	Events / Information	Threshold Criteria
		All other agreements which are entered into not in the normal course of business having a value exceeding the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year for each transaction.
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 the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year 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 the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year. Where the impact is 10% or less, the Company Secretary will decide the matter in consultation with the key managerial personnel.
8.	Litigation(s)/dispute(s)/regulatory action(s) with impact	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

Sr. No.	Events / Information	Threshold Criteria
		<p>less than the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year.</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>
9.	Frauds / defaults by directors (other than key managerial personnel) or employees of the Company.	Financial Impact of not less than the lower of 10 % of the Turnover / Income / Profit/loss after tax or Rs. 5 Crore of the Company as per the audited standalone financial statements of the immediately preceding financial year.
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.

Sr. No.	Events / Information	Threshold Criteria
11.	Giving of guarantees or indemnity or becoming a surety for any third party	Amount exceeding the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year.
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 the lower of 10 % of the Turnover / Income / Profit/loss after tax of the Company as per the audited standalone financial statements of the immediately preceding financial year.
