



UTI ASSET MANAGEMENT COMPANY LIMITED

POLICY FOR
DETERMINATION OF MATERIALITY

1. BACKGROUND

- 1.1 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. The Policy shall be disclosed on the website of the Company.

2. SCOPE OF THE POLICY

- 2.1 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 This Policy shall be read along with the Company’s Policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition of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.

3. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

- 3.1 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.

4. DISCLOSURES OF EVENTS OR INFORMATION TO STOCK EXCHANGES

- 4.1 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.**

The below events shall be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information except for events stated in item (iv) and (ix) below. In case the disclosure is made after twenty four hours of occurrence of the event or information, the rationale for the delay shall be provided along with such disclosures.

- (i) 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 (if any) or any other restructuring.

Acquisition would mean

- (A) acquiring control, whether directly or indirectly; or,
- (B) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - (1) 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;
 - (2) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- (ii) 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.
- (iii) Revision in rating(s).
- (iv) Outcome of meetings of the board of directors: The Company shall disclose to the Stock Exchanges, within 30 minutes of the closure of the meeting, held to consider or decide 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 would 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; and
 - (I) decision on voluntary delisting by the Company from Stock Exchanges.
- (v) Agreements (viz. shareholder agreement(s), joint venture 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.
 - (vi) Fraud/ defaults by promoter or key managerial personnel (managing directors, chief executive officer, chief financial officer, company secretary etc.) of the Company or by the Company or arrest of key managerial personnel or promoter.
 - (vii) Change in directors, key managerial personnel, Auditor and compliance officer.
 - (viii) Detailed reasons for resignation of the auditor, as given by the said auditor, as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - (ix) Following disclosures upon resignation of an independent director, within seven days from the date of resignation:
 - (A) Detailed reasons for the resignation of independent directors as given by the said director.
 - (B) Confirmation from the said independent director confirmation that there is no other material reasons other than those provided.
 - (C) The confirmation by said independent director should be submitted along with the detailed reasons, as mentioned in (A) above.
 - (x) Appointment or discontinuation of share transfer agent.
 - (xi) Corporate debt restructuring.
 - (xii) One time settlement (“OTS”) with a bank.
 - (xiii) Reference to Board for Industrial and Financial Reconstruction (“BIFR”) and winding-up petition filed by any party/creditors.

- (xiv) 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.
- (xv) Proceedings of annual and extraordinary general meetings of the Company.
- (xvi) Amendments to memorandum and articles of association of Company, in brief.
- (xvii) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- (xviii) Following events in relation to the corporate insolvency resolution process (“**CIRP**”) of the Company as corporate debtor under the Insolvency and Bankruptcy Code, 2016, (“**IBC**”) if applicable:
 - (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 the IBC.
 - (E) List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the Insolvency and Bankruptcy Board of India (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 the IBC in the form specified under regulation 36A(5) of the Insolvency and Bankruptcy Board of India (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) Salient features, not involving commercial secrets, of the resolution plan approved by the tribunal, in such form as may be specified;
- (M) Any other material information not involving commercial secrets.

(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 or
- (iii) in a 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 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	No threshold limit

Sr. No	Events / Information	Threshold Criteria
2.	(i) 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 (ii) Closure of operations of any unit/division – (entirety or piecemeal)	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 (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 last audited consolidated financial statements for each transaction 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
6.	Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire,	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

Sr. No	Events / Information	Threshold Criteria
	etc.), force majeure or events such as strikes, lock-outs etc.	<p>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
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</p>

Sr. No	Events / Information	Threshold Criteria
		<p>responsibilities towards the Company.</p> <p>For non-quantifiable matters, the Company Secretary shall determine materiality on a case to case basis.</p>
9.	<p>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</p>	<p>Financial Impact Rs 5 Crore or more.</p>
10.	<p>Options to purchase securities, including any employees stock option plan/ employees stock purchase scheme</p>	<p>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</p>
11.	<p>Giving of guarantees or indemnity or becoming a surety for any third party</p>	<p>Amount exceeding 10 % of the income of the Company as per the last audited consolidated financial statements.</p>
12.	<p>Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals</p>	<p>Granting, withdrawing, surrender, cancellation or suspension of the following license or regulatory approvals the impact of which</p>

Sr. No	Events / Information	Threshold Criteria
		would exceed 10 % of the income of the Company as per the last audited consolidated financial statements.

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

Such events 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.

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

- 5.1** 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.
- 5.2** 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.
- 5.3** Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event/information.

6. DISCLOSURES ON WEBSITE

6.1 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.

7. REVIEW OF POLICY

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

7.2 The Audit Committee shall review the Policy for Determination of Materiality of the Company at least once in a year.

8. AMENDMENTS TO THE POLICY

8.1 This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Board from time to time. Any subsequent amendment/modification in the Companies Act or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy. In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

8.2 The Policy shall be effective from the date of listing of the equity shares of the Company on the Stock Exchange(s). Any subsequent amendments, modification or supplementation to this Policy shall be effective from the date of approval of Board, unless specified otherwise.

9. EFFECTIVE DATE

9.1 The Policy shall come into effect from the date of listing of the equity shares of the Company i.e. 12th October, 2020 and was amended pursuant to the resolution of the Board passed at its meeting held on 28th October, 2020.
