

ANNEXURE 6: UNIT HOLDER PROTECTION COMMITTEE (UHPC)⁴⁷³

1. Membership / constitution:

- a) The Chairperson of the Committee shall be an independent director.
- b) The UHPC of AMC shall have minimum three directors as members.
- c) At least two-third members of the UHPC shall be independent directors of AMC. If two-third of the total strength results into fraction, then higher number after rounding up shall be considered.
- d) The members of the UHPC will be appointed by the board of directors of AMC.
- e) The UHPC shall invite expert / representative of unit holders as an invitee for matters as it may deem fit necessary.

2. Meetings:

- a) The Chairperson of the UHPC shall call the meeting as and when required. However, at least four meetings shall be held in a financial year.
- b) The quorum for meeting shall either be two members or one third of the members of the UHPC, whichever is greater, with at least two independent directors.
- c) If one-third of the total strength results into fraction, then higher number after rounding up shall be considered for the quorum.

3. Reporting:

- a) The AMC shall present agenda of the UHPC to its members. This shall also include reports on findings / observations w.r.t matters relating to protection of unit holders' interest, arising from audits / reviews etc. undertaken by the AMC, Internal Auditors etc.
- b) The UHPC of AMC shall brief board of directors of the AMC on the proceedings of the meeting. Further, minutes of the meeting of the UHPC shall also be placed before the board of directors of Trustee Company.

4. Powers and responsibilities

4.1 Unit holder complaints and redressal

- a) Review of unit holder complaints and grievances with ageing of outstanding complaints on a periodical basis
- b) Review of complaints / grievances handling mechanism including reported instances of mis-selling and frauds, if any. Analyse the root cause of investor complaints, identify market

⁴⁷³ SEBI Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/117 dated July 07, 2023

conduct, issues and advise the management appropriately about rectifying systemic issues, if any.

c) Review measures and steps taken to reduce unit holder complaints

4.2 Investor education and awareness

a) Recommendation of policy on utilisation of investor education and awareness funds

b) Review of various investor education and awareness steps taken by the AMC including effective utilisation of investor education and awareness funds on periodic basis

4.3 Regulatory and other functions

a) Ensure that the AMC adopts a standard operating procedure for its processes including timeframe for processing and confirmation of financial and non-financial transactions, treats unit holders fairly and equally and there is no preferential treatment given to different classes of investors.

b) Ensure compliances with applicable laws with respect to resolving, reporting and disclosures of complaints and grievances

c) Review of inactive folios⁴⁷⁴, unclaimed amounts of dividend and redemptions and measures taken by AMC to reduce the quantum of such unclaimed amounts.

d) Review of measures taken by AMC for exit options, voting and obtaining consents as prescribed under the MF Regulations.

e) Review of transfer, transmission, and nomination process.

f) Review of adherence to service standards adopted with respect to various services adopted by the AMC being rendered by the RTA.

g) Review of measures taken for ensuring timely receipt of dividend and redemption proceeds, annual reports, and other regulatory communications/disclosures.

h) Ensure timeliness and adequacy of disclosures of material information to the investors.

i) Review other activities carried out by the AMC (under Regulation 21(b)) and its impact on the unit holders of Mutual Fund.

j) Ensure that all conflicts are adequately managed and/or disclosed as per the conflict-of-interest policy.

k) Review of all investors/scheme compensation to ensure they are fair and appropriate.

l) Review instances of market abuse by employees of AMC.

⁴⁷⁴ SEBI Circular No. SEBI/HO/IMD/IMD-SEC-3/P/CIR/2025/15 dated February 12, 2025

4.4 Review of Unitholder Protection (UP) metrics

- a) Ensure that the AMC has approved internal policy for measurement of various parameters (such as cases of investor compensation, investor complaints, fraud incidents impacting any investor/ scheme, consistent underperformance of any scheme, number of incidents where the agreed Turn Around Time (TAT) has exceeded with respect to investor related transactions such as redemptions/ redressal of investor complaints/ non-financial transactions, etc., system issues/ incidents/ BCP events impacting investors, data privacy / cyber security incidents impacting investors) through appropriate UP metrics. The UP metrics should be approved by the Committee, along with the targeted level / benchmark for each parameter, where possible.
- b) Put in place a mechanism for reporting of the UP metrics to the Committee.
- c) Review the reports generated with respect to the UP metrics at least once in a half year.
