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THE WORLD'S  
FAVOURITE  
INDIAN

## POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

### Background:

As per Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to the Stock Exchanges, based on the criteria specified in Regulation 30(4)(i) of the said Regulations, duly approved by its Board of Directors and the same is also required to be disclosed on its website.

Accordingly, the Board of Directors of Bajaj Auto Limited ('the Company') at its meeting held on 21 October 2015, had adopted the 'Policy on Determination of Materiality for Disclosure of Events or Information'. This Policy was amended on 25 July 2023.

SEBI vide notification dated 17 May 2024, has *inter alia* amended Regulation 30(11) of the Listing Regulations, pertaining to verification of market rumour. Accordingly, the Board of Directors at its meeting held on 16 July 2024 has further amended this Policy.

The Policy on determination of materiality for disclosure of events or information, as amended is as under:

### 1. Material events or information:

- (a) The events or information specified in Para A of Part A of Schedule III of the Listing Regulations will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.
- (b) The events or information specified in Para B of Part A of Schedule III of the Listing Regulations will be disclosed based on application of materiality criteria.

### 2. Criteria for determining materiality of an event or information:

- (a) The omission of an event or information, is likely to result in discontinuity or alteration of event or information already available publicly; or



- (b) 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
- (c) The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (i) two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - (ii) two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
  - (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
- (d) While assessing the materiality or otherwise of an event or information, additionally the following will be considered:
  - (i) Facts and circumstances relating to the information / event.
  - (ii) Whether the event or information presents a significant risk to the reputation of the Company or the Group.
  - (iii) Events or information should be direct and not derivative and reasonably perceivable (not remote).
  - (iv) Prevailing market conditions, general business practices, industry scenario, business outlook, etc.
- (e) Notwithstanding the above, an event / information may be treated as material, if in the opinion of the Board of Directors of the Company, the event / information is considered material.

### **3. Events pertaining to subsidiaries:**

All events or information with respect to its subsidiaries which are material for the Company shall be considered for disclosure to the Stock Exchanges.

### **4. Other Information / Event:**

An event or information which are not specified under Para A or Para B of Part A of Schedule III of the Listing Regulations but which in the view of the Board of Directors or the Authorised Persons is material or may have material effect on the Company will be disclosed in terms of this Policy and the Listing Regulations.

Further, in case an event or information is required to be disclosed by the Company pursuant to the receipt of a communication from any regulatory, statutory





enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

**5. Point of time when the material event / information is said to have occurred:**

The Company would disclose event / information meeting the materiality test as specified in this Policy no sooner than credible and concrete information comes to the Company or is said to have occurred in order to make such information generally available.

In certain instances, it would depend on the stage of negotiation, discussion or approval and the material event / information will be said to have occurred:

- (a) In cases involving negotiation, discussion or approval, upon receipt of the approval of the Board or the Shareholders, as the case may be. However, in cases involving price sensitive events / information (such as decision on declaration of dividend), the disclosure may be made on the receipt of approval of the Board, pending Shareholder approval.

In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under this Policy.

- (b) In other cases, where no approvals are required (such as natural calamities or disruptions, etc.) when the Company or its officers become aware of the events / information, or when the Company or its officers ought to have reasonably come into knowledge / possession of the event / information while performing their duties.

Explanation – The term ‘officer’ shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

**6. Timelines for disclosure:**

The Company shall first disclose to the Stock Exchange(s) all events or information, which are material in terms of this Policy and provisions of the Listing Regulations as soon as reasonably possible and in any case not later than the following:

- (a) thirty minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information specified in Para A or Para B of Part A of Schedule III of the Listing Regulations has been taken;



- (b) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company or as may be specified by SEBI;
- (c) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

However, the disclosure concerning events for which timelines have been specified in Part A of Schedule III of the Listing Regulations shall be made within such timelines.

In case the disclosure is made after the timelines specified under the Listing Regulations, the Company shall along with such disclosure provide the explanation for delay.

The Company shall with respect to disclosure referred under Regulation 30 of the Listing Regulations, make disclosures updating the material developments on a regular basis, till such time the event is resolved / closed along with relevant explanation to it.

The Company shall also provide specific and adequate reply to all queries raised by the Stock Exchanges w.r.t events or information.

## **7. Verification of market rumours**

- (a) The Company shall confirm, deny or clarify, upon the material price movement, any reported event or information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than twenty four hours from the trigger of material price movement.

In case the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

- (b) The verification of market rumour is required for any event or information reported in mainstream media of India or reported in international media of such foreign jurisdictions as may be identified by the Board of Directors, from time to time.
- (c) Mainstream media:

The term 'mainstream media' shall have the same meaning as assigned to it under the Listing Regulations and identified as per the criteria of the news sources set out in the Industry Standards Note along with the list of specific news sources for each category of media identified therein.





The Industry Standards Note requires the Board of Directors of the Company to identify the foreign jurisdictions where the Company has material business operations along with a list of English business / financial news sources from such jurisdictions, which shall there by fall within the ambit of mainstream media and be tracked in respect of rumours published in international media.

Accordingly, the verification of rumours published in international media identified in foreign jurisdictions where the Company has material business operations shall be determined by the Board of Directors, from time to time.

(d) **Material Price Movement:**

The material price movement in the market price of the listed equity shares of the Company shall be determined on the basis of framework provided by the Stock Exchange(s), in this regard.

- (e) The Company may obtain requisite clarification for verification of rumours from its promoters, directors, key managerial personnel or senior management, to which they shall provide adequate, accurate and timely response and the Company shall disseminate the response received from such individuals to the Stock Exchanges promptly.

**8. Authorised Persons:**

The Chairman and / or any two of the Managing Director, Executive Director(s), CBDO, CFO and Company Secretary jointly ('Authorised Persons') are authorised to determine the materiality of an event or information and they are severally authorized for making disclosures of such material event or information, to the Stock Exchanges.

The relevant employees shall pursuant to the above criteria identify any potential material event or information and report the same to the Authorised Persons, mentioned above, to enable them to determine the materiality of the said event or information and for making the necessary disclosures to the Stock Exchanges.

**9. Disclosure of events or information on the website of the Company:**

All the events or information disclosed to the Stock Exchanges under Regulation 30 of the Listing Regulations shall be hosted on the Company's website for a minimum period of 5 years and thereafter as per the archival policy of the Company.



## 10. Statutory Framework:

- (a) This Policy is framed in terms of the provisions of the Listing Regulations, as amended from time to time.
- (b) Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is changed to conform to the law, rule, regulation or standard.

## 11. Dissemination of Policy on the Company's website:

This Policy shall be hosted on the website of the Company.

## 12. Review of the Policy:

This Policy is subject to review from time to time, but at least once in 2 years.

Place : Pune

Date : 16 July 2024

  
Niraj Bajaj  
Chairman

