



# **HERO MOTOCORP LIMITED**

## **Policy on Determination of Materiality of Events or Information for Disclosure**

# CONTENTS

<b>INTRODUCTION</b>	<b>1</b>
<b>APPLICABILITY</b>	<b>1</b>
<b>DEFINITIONS</b>	<b>1</b>
<b>CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION</b>	<b>2</b>
<b>VERIFICATION OF MARKET RUMORS AND DETERMINATION OF MATERIAL BUSINESS OPERATIONS IN FOREIGN JURISDICTION FOR THE PURPOSE OF MARKET</b>	<b>4</b>
<b>EVENTS/ INFORMATION WITH RESPECT TO SUBSIDIARIES OF THE COMPANY</b>	<b>5</b>
<b>GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION</b>	<b>5</b>
<b>AUTHORIZED PERSONS FOR DETERMINATION OF MATERIALITY AND DISCLOSURES</b>	<b>5</b>
<b>DISCLOSURES ON THE WEBSITE OF THE COMPANY</b>	<b>6</b>
<b>REVIEW</b>	<b>6</b>
<b>AWARENESS</b>	<b>6</b>
<b>LIMITATIONS, AMENDMENTS &amp; EXCEPTIONS</b>	<b>6</b>
<b>ANNEXURES TO POLICY</b>	<b>7</b>

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

### **I. Introduction**

Hero MotoCorp Limited (hereinafter referred to as "HMCL" or "**the Company**") is committed to ensuring that investors have access to accurate and timely information, and that the Company's public statements and corporate documents are accurate. The Company's Policy for Determination of Materiality of Events or Information for Disclosure (hereinafter referred to as the "**Policy**") has been formulated pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") as applicable and amended from time to time, and other relevant circulars, master circulars, clarifications, guidelines, notifications, etc. issued by SEBI (hereinafter "**Applicable Laws**").

This Policy aims to serve as a guiding charter to the management of the Company to ensure that all material events or information are disseminated in a fair, adequate and timely manner, enabling investors to make informed decisions.

### **II. Applicability**

This policy applies to all events and information pertaining to the Company that warrant disclosures on the stock exchanges.

### **III. Definitions**

For the purpose of this Policy, the following terms shall have the meaning assigned to them:

"Senior Management" shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer/ Managing Director/Whole-time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called, the persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company.

*Unless the context otherwise requires, any other term, word or expression used but not defined herein shall have the same meaning as defined in the Listing Regulations, and if not defined therein, as per the Companies Act, 2013 (hereinafter referred to as "**the Act**"), the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996 and/or the Rules and Regulations made thereunder, or any other Applicable Laws, rules or regulations or any statutory modifications or re-enactment thereto, as the case may be.*

#### IV. Criteria for determination of materiality of events / information

Information relating to material events shall be promptly disseminated by the Company to the stock exchanges. Any information or event shall be regarded as 'material' if it meets the criteria for materiality set out in this Policy. Materiality of events / information shall be determined on a case-to-case basis depending on the facts and circumstances pertaining to such event / information and subject to the Applicable Laws. The following criteria, as laid down under Regulation 30 of the Listing Regulations, shall be applied for determining materiality of an event or information:

- A. The events / information specified in Para A of Part A of Schedule III of the Listing Regulations and / or **Annexure A** of this Policy shall be deemed to be material and shall be disclosed by the Company without applying any test of materiality.
- B. The events / information specified in Para B of Part A of Schedule III of the Listing Regulations and / or **Annexure B** of this Policy shall be disclosed by the Company, provided such events / information are considered 'material' upon applying the following criteria:
  - a. The omission of such event or information is likely to result in discontinuity or alteration of event or information already available publicly; or
  - b. The omission of such event or information is likely to result in significant market reaction if the said omission comes to light at a later date; or
  - c. The omission of such 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; or
    - 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; or
    - 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.

In respect of Para IV(A)(c)(iii) of this Policy above, it is clarified that the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

- d. In case where the criteria specified in sub-clauses (a) to (c) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, such event or information is considered material.
- C. The Company shall, within 24 hours, disclose the following without applying any test of materiality: viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- D. Events/information identified as 'material' in terms of this Policy and the Applicable Laws shall be disclosed 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 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;
  - 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.

Provided that disclosure with respect to events for which timelines have been specified under the Applicable Laws shall be made within such timelines.

- E. All the events / information under this Policy shall be disclosed with such details as provided under the Listing Regulations, the Master Circular for compliance with provisions of the Listing Regulations by listed entities, circular, guidance and other Applicable Laws, as amended from time to time.
- F. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, i.e. Annexures A and B of this Policy, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.
- G. In case an event or information is required to be disclosed by the Company in terms of the Applicable Laws 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.

- H. The Company shall make disclosures updating the material developments pertaining to any material event on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- I. All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company, who have entered into agreements among themselves or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or impose any restriction or create any liability upon the Company, unless entered into in the normal course of business, shall be responsible to inform the Company about such agreements within two working days of entering into such agreements or signing an agreement to enter into such agreements, which shall be disclosed to the stock exchanges within the timelines prescribed under the Applicable Laws.

**V. Verification of market rumors and determination of material business operations in foreign jurisdiction for the purpose of market rumors**

- A. Notwithstanding anything contained in this Policy, the Company shall confirm, deny or clarify any reported event or information in the mainstream media in terms of Para V of this Policy and Regulation 30(11) of the Listing Regulations.
- B. The Promoters, Directors, Key Managerial Personnel or Senior Management of the Company shall be responsible to provide adequate, accurate and timely response to queries raised or explanation sought by the Company to ensure compliance with the requirements under Paras V(A) and V(B) of this Policy and Regulation 30(11) of the Listing Regulations and the Company shall disseminate the response received from such individual(s) promptly to the stock exchanges.
- C. For the purpose of compliance with Para V of this Policy and Regulation 30(11) of the Listing Regulations, the Company shall identify the foreign jurisdictions, if any, where the company has material business operations, along with a list of English business/ financial news sources from such jurisdictions, that the company shall track. The parameters to be applied for determining 'material business operations' of the company and its subsidiary in a foreign jurisdiction shall be as under:
  - i. Annual export of HMCL to a particular foreign jurisdiction in preceding financial year; or

- ii. Annual turnover of the foreign subsidiary in preceding financial year is equal to or exceeds:
  - (a) 2% of annual consolidated turnover of HMCL in that preceding financial year; or
  - (b) Rs. 1,000 crores (whichever is lower)
- D. A foreign jurisdiction or the country of incorporation of any foreign subsidiary of the Company that falls into the above category will be classified as having material business operations.
- E. The management shall identify the list of English business/ financial news sources from such jurisdictions that the Company shall track for the purposes of compliance with this Policy and with the proviso to Regulation 30(11) of Listing Regulations in respect of rumours published in international media.

## **VI. Events/ information with respect to subsidiaries of the Company**

The Company shall disclose all events or information with respect to subsidiaries, which are material for the Company.

## **VII. Guidelines on occurrence of an event / information**

- A. Events/information required to be disclosed by the Company can be categorized as under:
  - (i) those which are in the stages of discussion, negotiation or approval; and
  - (ii) those where there is no such discussion, negotiation or approval required, viz. in case of natural calamities, disruptions etc.
- B. The occurrence of the events/information mentioned in Para VII(A)(i) and VII(A)(ii) of this Policy shall be determined in terms of the Applicable Laws and, subsequently, be disclosed in the manner laid down in this Policy and under the Applicable Laws.

## **VIII. Authorized Persons for determination of materiality and disclosures**

- A. The Chief Financial Officer and the Company Secretary & Compliance Officer of the Company, subject to the Applicable Laws, shall be jointly entitled and authorized to:
  - a. take a view on the materiality of an event or information that qualifies for disclosure under Regulation 30 of the Listing Regulations and under this Policy;
  - b. decide the appropriate time at which such disclosure is to be filed with stock exchanges, and

- c. decide the details that may be disclosed in the best interest of the Company and present & potential investors.
- B. All the members of Senior Management (or such other persons at par with them or in the similar positions or any of their designees,) shall be responsible to determine the materiality of any event or information with respect to their respective functions/roles in line with the provisions of this Policy. They shall promptly inform the Chief Financial Officer and the Company Secretary & Compliance Officer of the occurrence of material events or information, as specified under this Policy, concerning the Company and any of its subsidiaries.
- C. The Company Secretary & Compliance Officer shall then arrange to disclose to the stock exchanges of the respective events or information.

#### **IX. Disclosures on the website of the Company**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchanges under Regulation 30 of Listing Regulations /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 preservation of documents and archival policy of the Company.

The Policy shall be disclosed on the website of the Company. The contact details of the Key Managerial Personnel authorized under this Policy shall also be disclosed to the stock exchanges as well as on the Company's website.

#### **X. Review**

This Policy shall be reviewed by the Board of Directors as and when required or at least once in three years and updated accordingly.

#### **XI. Awareness**

All the persons authorized to determine the materiality of any event/information under this policy shall also be responsible to educate and assist their colleagues/ subordinates, etc., about this policy, in identification of potential material events or information and to advise them to intimate about any event/information which may be falling within the purview of this policy.

#### **XII. Limitations, Amendments & Exceptions**

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other Applicable Laws, the provisions of such Act or Listing Regulations or such other Applicable Laws shall prevail over this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s) etc. shall prevail upon the relevant provisions of this Policy and shall be deemed to have been included in this Policy from the effective date of such amendment(s), clarification(s), circular(s) etc.

Any amendments to the Act or Listing Regulations or any other statutory enactments or rules, shall mutatis mutandis be deemed to have been incorporated in this Policy.

In case any provision/clause of this Policy is rendered unlawful or unenforceable due to any reason, the Policy shall be read by excluding that particular clause/ provision.

### **XIII. Annexures to Policy**

**Annexure A** – List of Events which shall be disclosed without any application of the guidelines for materiality in terms of Para A of Part A of Schedule III of Listing Regulations.

**Annexure B** - List of Events which shall be disclosed upon application of the guidelines for materiality in terms of Para B of Part A of Schedule III of Listing Regulations and the aforesaid Company's policy on materiality.

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**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 or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

- i. acquiring control, whether directly or indirectly; or
- ii. acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –
  - a) the listed entity holds shares or voting rights aggregating to twenty 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-paragraph and such change exceeds five per cent of the total shareholding or voting rights in the said company; or
  - c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub- regulation (4) of regulation 30:

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two percent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- i. an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- ii. an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

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. New Rating(s) or Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), the outcome of meetings of the Board of Directors, held to consider the following:
  - a) dividends 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
  - 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 listed entity from stock exchange(s):
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 listed entity), 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.
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the stock exchanges, including disclosure of any rescission, amendment or alteration

of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, Senior Management or subsidiary or arrest of key managerial personnel, Senior Management, promoter or director of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- i. ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- ii. ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, Senior Management, subsidiary shall mean default which has or may have an impact on the listed entity.

Explanation 3 – Fraud by Senior Management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the listed entity, 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 listed entity, 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.
- 7C. In case of resignation of key managerial personnel, Senior Management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, Senior Management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
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. Onetime settlement with a bank.
11. 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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.

15. (a)(i) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet);  
(ii) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.

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

Explanation II: Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the listed entity.

- (b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:
- (i) The audio 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 video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;
  - (iii) the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges 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 personnel, 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 listed entity along with comments of the management, if any.

Explanation – For the purpose of this sub-paragraph, forensic audit refers to the audits, by whatever name called, which are initiated with the objective of detecting any mis-statement in financial statements, mis-appropriation, siphoning or diversion of funds and does not include audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including procurement or other similar matters that would not require any revision to the financial statements disclosed by the listed entity.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or Senior Management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these

regulations and is not already made available in the public domain by the listed entity.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, Senior Management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) search or seizure; or
  - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - (c) Investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i. name of the authority;
    - ii. nature and details of the action(s) taken, initiated or order(s) passed;
    - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
    - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
    - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, Senior Management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- a) suspension;
  - b) imposition of fine or penalty;
  - c) settlement of proceedings;
  - d) debarment;
  - e) disqualification;
  - f) closure of operations;
  - g) sanctions imposed;
  - h) warning or caution; or
  - i) any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s), taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;

- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

Explanation – Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph:

- (i) disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty-four hours.
  - (ii) disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.”
21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

## Annexure – B

### **Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the listed entity:
  - a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - b) adoption of new line(s) of business; or
  - c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) 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.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.