

BOSCH LIMITED

**POLICY ON DETERMINING MATERIALITY AND
ARCHIVAL OF DISCLOSURES PURSUANT TO
REGULATION 30 OF SECURITIES AND EXCHANGE
BOARD OF INDIA (LISTING OBLIGATIONS AND
DISCLOSURES) REGULATIONS, 2015**

I. **Objective**

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with SEBI’s Circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015, the Board of Directors (the “**Board**”) of Bosch Limited (the “**Company**”) has adopted this Policy at its meeting held on November 6, 2015 for determination of material events and information (“**Material Information**”) to be disclosed to the Stock Exchanges and archival thereof under applicable SEBI regulations.

II. **Definitions**

In this policy unless the context otherwise requires, -

- a. “**Act**” means the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- b. “**Authorized Persons**” shall have the same meaning ascribed to it under clause III of this Policy.
- c. “**Board**” or “**Board of Directors**” shall mean the Board of Directors of Bosch Limited, as may be re-constituted from time to time.
- d. “**Company**” means Bosch Limited.
- e. “**Financial Year**” shall have the same meaning ascribed to it under the Act.
- f. “**Key Managerial Personnel**” or “**KMP**” shall have the same meaning ascribed to it under the Act.
- g. “**Material Information/event**” shall mean information/events as mentioned under clause IV, V and VI of this Policy.
- h. “**Policy**” means Bosch Limited – Policy on Determining Materiality.
- i. “**SEBI Regulations**” or “**Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the SEBI Regulations shall have the same meaning assigned therein.

III. Authorized Persons

1. The materiality or otherwise of an information or event in terms of SEBI Regulations will be determined jointly by the Managing Director(s) / Executive Director(s) and Company Secretary (“**Authorized Persons**”) in consultation with the concerned Department head, plant management or the responsible Sr. Management Personnel, as the case may be.
2. The Authorized Persons will also decide the appropriate period/stage at which disclosure is to be filed with the stock exchanges including details that may be filed.
3. Contact details of the Authorized Persons is given in the website of the Company viz, www.boschindia.com.

IV. Material events or information

1. Events or information specified in **Annexure - 1** will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.
2. The events or information which will be disclosed based on application of materiality criteria are given in **Annexure - 2**.

V. Guidelines for Materiality assessment of an event/information specified in Annexure – 2

1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, ‘quantitative’ criteria will be applied.
2. In circumstances where ‘quantitative’ test may not be applicable or cannot be applied, a ‘qualitative’ or a ‘subjective’ criteria as under will be applied to determine materiality :
 - a) the omission of an event or information which is likely to :
 - result in a discontinuity or alteration of an event already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;
 - b) Any event or information having a significant risk to the reputation of the Company.
 - c) In the opinion of the Authorized Persons or Board of Directors of the Company, the event/information ought to be disclosed.
3. Only such events/information which is direct (not derivative) and reasonably perceivable (not remote) and having a time horizon of 1-3 years.

4. In determining materiality a number of factors such as the nature of the information (both quantitative and qualitative), prevailing market conditions, general business practices, industry scenario, business outlook, etc. shall be taken into consideration.
5. The Company will disclose material information concerning the business and affairs of the Company to the public immediately, except where permitted by law and when otherwise required for the purpose of maintaining the confidentiality of the information.
6. The extent of the disclosures will depend upon the stage of discussions, studies, or negotiations.

VI. Other Information/Event:

An event or information which are not specified under Annexure – 1 or Annexure – 2 to this policy but which in the view of the Authorized Persons or the Board is material will be disclosed in terms of this policy and Listing Regulations.

VII. Archival of Disclosures

1. All material events / information above will be disclosed as soon as practicable as per the Listing Regulations to the Stock Exchanges.
2. The Company shall also host all disclosures pursuant to this policy on its website viz., www.boschindia.com.
3. Such disclosures shall be displayed on the website of the Company for a period of five years from the date of its hosting. The disclosures which are more than five years old will be archived from the website of the Company and will be dealt in an appropriate manner as decided by the Authorized Person(s) from time to time.

VIII. Statutory Framework

1. This policy is framed in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. 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.

IX. Effective date

This policy shall be effective from December 01, 2015.

X. Review

The Policy is subject to review by the Board from time to time.

Annexure – 1**Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) and Clause V of this Policy**

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 listed entity 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 listed entity 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 listed entity 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 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.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity 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.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 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 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

Annexure – 2

The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause IV and V of this Policy

| Sl. No | Event/Information | Threshold |
|---------------|--|---|
| 1. | Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division. | Impact of 5% or more of Turnover of the Company (as per the latest audited financial statements) for one full year of operation. |
| 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 lines of business or closure of operations of any unit/division (entirety or piecemeal). | Impact of 5% or more of Turnover of the Company as per the latest audited financial statements. |
| 3. | Capacity addition | Capacity addition of not less than 25% in respect of Diesel systems' business plants viz. Bengaluru, Nashik, Bidadi and Jaipur Plants. |
| 4. | Product launch | Impact of 5% or more of the turnover of Company (as per the latest audited financial statements) in respect of only trading divisions of the Company. |
| 5. | Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business. | Consideration exceeding INR 5,000 million. |
| 6. | Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof. | Borrowings for a minimum period of 5 years for an amount not less than INR 5,000 million. |
| 7. | Disruption of operations of any one or more units or division of the listed entity/Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc. | a) Disruption of operations due to natural calamity :- estimated impact of 1% or more of the production or the turnover (as per the latest audited financial statements) of the Company |

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| | | b) In case of strike, lockout, etc.: complete closure of the Diesel systems plant for at least one full day. |
| 8. | Effect(s) arising out of change in the regulatory framework applicable to the listed entity/Company | Impact of 5% or more to the turnover of the Company as per the latest audited financial statements. |
| 9. | Litigation(s) / dispute(s) / regulatory action(s) with impact. | Outcome of single litigation/dispute determined by a Court of Law (not below High Court) and regulatory action having an impact of not less than 1% of the turnover of the Company as per the latest audited financial statements. |
| 10. | Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity/Company. | Amount exceeding INR 100 million in case of employees and any amount as regards Directors. (<i>Only established Frauds and Defaults affecting the Company.</i>) |
| 11. | Options to purchase securities including any ESOP/ESPS Scheme. | Not Applicable.* |
| 12. | Giving of guarantees or indemnity or becoming a surety for any third party. | Any single guarantee/indemnity having an impact of 5% or more of turnover of the Company (as per the latest audited financial statements). |
| 13. | Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals. | Impact of 5% or more of turnover as per the latest audited financial statements. |

*the Company does not have any ESOP/ESPS scheme.

Notwithstanding anything stated above, the Authorized Persons may apply a qualitative criteria for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably.