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# Policy on determination of Materiality for Disclosures

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## Exide Policy on determination of Materiality for Disclosures

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### Document Change History

<b>Version</b>	<b>Author</b>	<b>Date</b>	<b>Comments</b>
V1.0	Mr. Jitendra Kumar	21 <sup>st</sup> January 2016	Formulation of the Code
V2.0	Mr. Jitendra Kumar	28 <sup>th</sup> July 2023	Amendment to the Policy to align to the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 amendment dated 14 <sup>th</sup> June 2023.

## 1. OBJECTIVE

The Securities and Exchange Board of India (“SEBI”) vide its Notification dated September 02, 2015 had issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) effective from December 01, 2015. In terms of the above Regulations, every Listed Company is required to disclose events or information which, in the opinion of the Board of Directors of the Company, are material. The Board of Directors (“Board”) of Exide Industries Limited (the “Company”) recognizes the need to frame a policy to determine the material events or information by testing the materiality as required under Regulation 30 and has approved this Policy at its meeting held on 21<sup>st</sup> January 2016 and was further amended by the Board on 28<sup>th</sup> July 2023 primarily with an objective to align the recent changes made in the Listing Regulations vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

This Policy shall be called ‘Policy on Determination of Materiality for Disclosures’ (the “Policy”), which *inter-alia* aims at ensuring that all investors have equal access to important information that may affect their investment decisions and that such information is adequately disseminated in a fair and timely manner in pursuance with the Listing Regulations and to provide an overall governance framework for determination of materiality.

In order to strengthen the regulations governing the timely disclosure of material event / information by the listed entities in India, SEBI, from time to time, makes several amendments to Regulation 30. In order to adhere and align the action of the Company to the amendment made by SEBI in Listing Regulations in a timely manner, the Board of Directors of the Company had constituted a ‘Committee of Authorised Persons’, consisting of four (4) Executive Directors & Company Secretary. The said Committee is authorized to frame an ‘Indicative Guidelines’ to determine the materiality of event by testing the materiality as required under Listing Regulations and to make suitable disclosures to the Stock Exchange(s) from time to time.

In view of the significant changes notified by SEBI on 14<sup>th</sup> June 2023 vide SEBI (Listing Obligations & Disclosure Requirement) (Second Amendment) Regulations, 2023, the Policy aims to align the requirements of amended Listing Regulations and by authorizing the “Committee of Authorised Persons” to make suitable changes in the Indicative Guidelines framed under this Policy from time to time.

## 2. DEFINITIONS

### 2.1 “Acquisition” shall mean-

- a. acquiring control, whether directly or indirectly; or
- b. acquiring or agreement to acquire shares or voting rights in, a company, whether existing or to be incorporated, whether directly or indirectly, such that
  - i. 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
  - ii. there has been a change in holding from the last disclosure made under sub-clause (i) of clause (b) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
  - iii. 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.

2.2 “**Agreement**” shall include shareholder agreement, joint venture agreement, family settlement agreement to the extent the same impacts the management and control of the Company and agreement, treaty or contract with media companies, which are binding and not in normal course of business and revision, amendment and termination thereof.

2.3 “**Compliance Officer**” shall mean the Company Secretary of the Company;

2.4 “**Convertible Security**” means a security which is convertible into or exchangeable with equity shares of the issuer at a later date, with or without the option of the holder of the security and includes convertible debt instrument and convertible preference shares;

2.5 “**Key Managerial Personnel/KMP**” means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

2.6 “**Market Sensitive Information**” shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company’s sector.



- 2.7 **“Officer”** means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.
- 2.8 **“Policy”** means Policy for Determination of Materiality for Disclosures.
- 2.9 **“Promoter”** means as assigned to the term in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 2.10 **“Stock exchange”** means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956;
- 2.11 **“Specified securities”** means ‘equity shares’ and ‘convertible securities’ as defined under clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 2.12 **“Subsidiary”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreements, the Regulations, Rules thereunder, circulars and notifications issued thereto or any other applicable law or regulation to the extent applicable to the Company.

### **3. AUTHORISED PERSONS**

- 3.1 Pursuant to Regulation 30(5), the Board of Directors have authorised Key Managerial Personnel of the Company who presently are the CEO & Managing Director, all Whole Time Directors including Director-Finance & Chief Financial Officer and the Company Secretary (“Committee of Authorised Persons”) for the purpose of determining materiality of an event or information and making disclosure to stock exchanges. The materiality of the event or information may be decided in consultation with Plant Heads, Divisional Heads and Senior Management Personnel or persons connected with the event or information.
- 3.2 The Authorised Persons may meet physically or may interact through e-mails or any other means as they may deem fit.
- 3.3 The Authorised Persons shall have the following powers and responsibilities for determining the material events or information within the Company:

- (i) To review and assess the materiality of an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at that point in time. For this purpose, the relevant details of event or information shall be sent to the Authorised Persons promptly or as soon as practicable to enable its disclosure to the stock exchanges.
- (ii) To determine the appropriate time at which the disclosures are to be made to the stock exchanges, after taking into account the stipulated time of actual occurrence of an event or information, after ascertaining facts
- (iii) To review and finalise the disclosures to be made.
- (iv) To disclose material developments on a regular basis, till such time the event or transaction is resolved/closed, with relevant explanations.
- (v) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- (vi) To disclose material events or information with respect to the subsidiaries of the Company.
- (vii) To seek expert advice of legal counsel and other expert advisors, as it consider necessary in connection with matters related to this Policy.

#### **4. PROCEDURAL GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION**

4.1 The Committee of Authorised Persons shall be responsible and authorised for evaluating/ascertaining the materiality of events considering its nature and based on the guidelines formulated in line with the criteria specified in the Listing Regulations.

In case the disclosure is made after the prescribed timelines, the Company shall, along with such disclosure(s) provide an explanation for the delay.

4.2 In case where the criteria specified under the Listing Regulations are 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.

4.3 Only such impact which is direct, reasonably perceivable and quantifiable shall be considered.

4.4 The criteria mentioned in the Listing Regulations shall also be applied with respect to events or information pertaining to subsidiaries.

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

5.1 The Authorised Persons may be confronted with the question as to when an event/information can be said to have occurred.

5.2 In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions, etc., the answer to the above question would depend upon the timing when the Committee became aware of the event/information.

5.2.1 In the former, the events/information can be said to have occurred upon receipt of approval of the Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

5.2.2 In the latter, the events/information can be said to have occurred when the Authorised Persons becomes aware of the events/information, or as soon as, an Officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

In case an Officer of the Company becomes aware of or comes into possession of the information in the course of the performance of his duties, he shall immediately report the same to the Authorised Persons.

**6. DISCLOSURE**

All material events or information after its proper assessment and evaluation, need to be reported to the Stock Exchanges by any of the Authorised Persons in the manner prescribed under Regulation 30 of the Regulations and the circulars/master circulars issued by SEBI from time to time.



**7. ACCEPTANCE / DENIAL OF REPORTED EVENT OR INFORMATION**

The Authorised Persons are authorised to accept / deny any reported event or information, which has been unauthorisedly made public in the mainstream media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company.

**8. DISCLOSURE ON WEBSITE**

All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the website of the Company and the same shall be hosted for a minimum period of five years.

The contact details of the Authorised Persons shall be disclosed to the Stock Exchanges and also be placed on the website of the Company.

**9. EFFECTIVE DATE**

The effective date of the Policy is December 01, 2015.

**10. AUTHORITY TO MAKE ALTERATIONS**

The Board is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.

**11. INTERPRETATION**

In any circumstance, 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 until such time as this Policy is changed to conform to the law, rule, regulation or standard.



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