



**HIGH ENERGY BATTERIES (INDIA) LIMITED**

**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

(Pursuant to Regulation 30(4)(ii) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015)

**1. Objective**

The objective of this Policy is to lay down the criteria for determination of materiality of events/ information which shall be disclosed to the Stock Exchanges where the equity shares of the company are listed, so that present and potential investors are able to take informed decision relating to their investment in the company and to avoid creation of false market in the securities of the company. This Policy is intended to act as a guidance for determining materiality of such price sensitive information.

**2. Effective Date**

This Policy shall be effective from 1<sup>st</sup> December, 2016.

**3. Definitions**

All the words and expressions used in this Policy, unless defined herein, shall have meaning assigned to them in the Companies Act, 2013, Rules made thereunder, Listing Regulations and other applicable statutory enactments (collectively, the “Statutory Provisions”), as the case may be, as amended, from time to time.

**4. Basic Principles**

This Policy is based on the following basic principles:

**Materiality:** To ensure that all material events/ information become public or made generally available.

**Timelines:** To make disclosure of material events/ information promptly without delay in accordance with the Policy following the material events/ information that warrant disclosure.

**Transparency:** To make disclosure of material events/ information with sufficient details that sustains investor confidence.



**5. Material Events/ Information and Criteria:**

- The following factors shall be considered for determining materiality of any event/ information:
  - The omission of an event/ information which might result in discontinuity or alteration of information which is already in public domain;
  - The omission of event/ information which might result in significant market reaction, if the said omission comes to light at a later date;
  - Any event/ information which directly or indirectly may materially affect the reputation of the Company;
  - Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company;
  - Whether the event/ information is in the ordinary course of business; or
  - Whether the event/ information represents a significant shift in strategy and is an exit from, or entry into, a significant line of business.
- Events specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events. The company shall make disclosure of such events without application of any materiality criteria.
- Events / information as are mentioned in Para B of Part A of Schedule III of the Listing Regulations shall be disclosed by the company to the Stock Exchanges, if considered material, based on any of the following criteria:
  - a) **Quantitative Materiality Thresholds:** Where the value involved in an event or the impact of an event exceeds 5% of the total income; or exceeds 10% of the net worth (as per the latest audited Financial Statement).
  - b) **Qualitative Materiality Criteria:** Where the omission of disclosure of such event or information is likely to result in discontinuity or alteration of event/ information already available publicly or result in significant market reaction, if the said omission became public at a later date.
  - c) **Board Decision:** An event/ information if treated as material in the opinion of the Board.



- The company shall also disclose to the Stock Exchanges –
  - (i) Any other event/ information viz. major development that is likely to affect business, any change of accounting Policy that may have a significant impact on the accounts and any other information which is exclusively known to the company which may be necessary to enable the security holders of the company to appraise its position and to avoid the establishment of a false market in such securities.
  - (ii) Any other event/ information which is available with the company and not indicated in Para A or B of Part A of Schedule III of the Listing Regulations, but which may have material effect on it.

#### **6. Contents and time for disclosure**

- Disclosure shall be made upon occurrence of a material event/ information. The time and content for disclosure shall be in accordance with the Listing Regulations and relevant SEBI circulars.
- The company shall make disclosures updating material developments on the above material event on regular basis, until the event is resolved/ closed with relevant explanations.

#### **7. Authority**

- The Managing Director and in his absence the Company Secretary of the company is authorized to determine the materiality of an event or information based on criteria mentioned in this Policy and is also authorized to make the necessary disclosures to the Stock Exchanges under Regulation 30 of the Listing Regulations.
- The Key Managerial Personnel of the company are severally authorized (*suo moto* or on request of any stock exchange) to confirm/ deny any reported event/ information to the Stock Exchanges.

#### **8. Disclosure**

The company shall simultaneously disclose on its website ([www.highenergy.co.in](http://www.highenergy.co.in)) all such events or information which has been disclosed to the Stock Exchanges under this Policy or under the Listing Regulations. Such disclosures shall remain hosted on the website of the company for a minimum period of five years and thereafter as per the following archival Policy of the company.



**9. Obligations of Internal Stakeholders and Authorized Person for Disclosure**

Any event or information requiring disclosure in terms of this Policy shall be brought to the notice of any of the KMPs forthwith by the concerned Head of Department upon occurrence with adequate supporting data/ information, to facilitate prompt and appropriate disclosure thereof to the Stock Exchanges.

**10. Review and Amendment**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the Statutory Provisions and remains effective.

This Policy shall be reviewed periodically and may be amended by the Board, as may be deemed necessary.

**11. Interpretation**

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

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