

HERANBA INDUSTRIES LIMITED

CIN: L24231GJ1992PLC017315

DETERMINATION OF MATERIALITY POLICY

[Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Updated as on: May 30, 2023

HERANBA INDUSTRIES LIMITED

POLICY FOR DETERMINATION OF MATERIALITY

1. BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), requires Heranba Industries Limited (“**Company**”) to frame a policy for determination of materiality for disclosure of events or information to BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”), based on the criteria specified in the Listing Regulations as would be amended from time to time. The policy is also required to be disclosed on the website of the Company.

2. SCOPE OF THE POLICY

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “Disclosure of events or information to Stock Exchanges”. This Policy shall be read along with the Company’s Policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (code of fair disclosure) framed in adherence to the principles for fair disclosure as outlined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

The Chairman, Managing Director, the Chief Executive Officer, The Executive Directors, the Chief Financial Officer and/or Company Secretary will be the authorized Key Managerial Personnel (“**KMP**”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges. Contact Details under Regulation 30(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

4. DISCLOSURES OF EVENTS OR INFORMATION TO STOCK EXCHANGES

- (1) The Company shall make disclosures of any events or information which, in the opinion of the board of directors of the Company, is material.
- (2) Events specified in Para A of Part A of Schedule I as amended from time to time, are deemed to be material events and Company shall make disclosure of such events.
- (3) The Company shall make disclosure of events specified in Para B of Part A of the aforesaid Schedule I, based on application of the guidelines for materiality, as specified in sub-regulation (4).
- (4) The Events specified in Schedule –I annexed herewith shall be disclosed to the Stock Exchange, based on the application of the guidelines for materiality. The Events specified in Schedule-I and Guidelines for Materiality shall be deemed to be modified and amended from time to time to align the same in line with the sub-regulation (4) of the Regulation 30 and other applicable Regulation of the Listing Regulations.

- (5) **Guidelines for Materiality** The Company shall consider the following criteria for determination of materiality of events/ information:
- (a) the omission of an event or information, which 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:
 - (1) two percent of turnover, as per the last audited consolidated financial statements of the company;
 - (2) 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;
 - (3) 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) In case where the criteria specified in sub-clauses (a), (b) and (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, the event or information is considered material:
- (6) The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation , and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.
- (7) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- (8) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information: Provided that the stock exchange(s) shall disseminate information and clarification as soon as reasonably practicable.
- (9) The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
- (10) 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 I, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

The Company will disclose all events or information with respect to subsidiaries (if any) which are material to the Company in accordance with the policy determining material subsidiary (if any) adopted by the Board of Directors of the Company.

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

5.1 The events/information shall be said to have occurred upon approval of Board of the Company in certain events, for example further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of the Company and Shareholders of the Company.

5.2 Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the Board of the Company pending Shareholder's approval.

5.3 Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event/information.

6. DISCLOSURES ON WEBSITE

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges under this 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 archival process followed by the Company.

7. AMENDMENTS TO THE POLICY

The KMP authorised under this Policy will review the Policy from the perspective of the Listing Regulations and determine the events/information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. All such amendments will be informed to the Board and the approval of the Board will be sought to align the policy in line with the Listing Regulations.

SCHEDULE I

Events which may be disclosed to the Stock Exchanges based on the test of materiality

The KMP authorised under this Policy, will determine on the disclosure of below events or information to the Stock Exchanges based Threshold Criteria given in the Guidelines of Materiality .

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 Company: (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 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 Company 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 Company.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
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.
14. Any other information/event 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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.