



## **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS**

### **M/s. HERITAGE FOODS LIMITED**

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## I. BACKGROUND AND APPLICABILITY OF THE POLICY

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Regulations”**) requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company are material.

In this context, the following policy has been framed by the Board of Directors (**“Board”**) of Heritage Foods Limited (**“HFL”**/ **“Company”**) with the objective of determining materiality of events.

1. Regulation 30 of the Regulations mandates disclosure of all *deemed* material events to the Stock Exchanges. These events have been specified in Para A of Part A of Schedule III of the Regulations and shall be disclosed as applicable from time-to-time.
2. For disclosure of certain events (as specified in Para B of Part A of Schedule III) to the Stock Exchanges the following criteria shall be considered by the Board for determining whether the events are material or not:-
  - 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;
  - c) The omission of an 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 listed entity;
    - ii) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;

- 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 listed entity;

Where it would be difficult to report the events based on qualitative/quantitative criteria as stated in points a), b) and c) above, the same may be considered material for disclosure, upon meeting materiality or if in the opinion of the board of directors of the listed entity, the event or information is considered material.

This Policy shall also apply to the events to which neither Para A or Para B of Part A of Schedule III applies but have a material effect on the Company.

*The above thresholds shall be determined on the basis of the last annual audited consolidated financial statements of the Company.*

## **II. DISCLOSURE PROCESS**

1. Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Chairperson/Vice Chairperson & Managing Director/Executive Director/President/Chief Financial Officer & Company Secretary of the Company on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer & Company Secretary.
2. The Vice Chairperson & Managing Director, Executive Director, President, Chief Financial Officer & Company Secretary of the Company shall severally be responsible and authorized for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
3. After evaluation, any one of the above mentioned persons shall make

disclosure to the Stock Exchanges.

4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.
7. All disclosures shall be available on the website of the Company for a period of 5 years.

### **III. MODIFICATION OF THE POLICY**

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. In case of any subsequent amendments to the Regulations which make any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail. The Policy shall be reviewed by the Audit Committee and on recommendations shall be modified by the Board so as to align the same with the amendments or to incorporate the changes as may be felt appropriate by the Audit Committee.

The list of events in Annexure, as it stands today may be updated, from time to time, by authorized persons, to reflect any changes to the Regulations and the updated version be issued and published as necessary, without any requirement for approval from the Audit Committee or the Board.

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**Annexure**

**(Same as Para B of Part A of Schedule III)**

**Events which shall be disclosed upon application of materiality thresholds as set out in point I:**

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. 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).
4. Capacity addition or product launch.
5. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
6. 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.
7. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire, etc.), force

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majeure or events such as strikes, lockouts, etc.

8. Effect(s) arising out of change in the regulatory framework applicable to the Company.
9. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
10. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
11. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
12. Options to purchase securities including any ESOP/ESPS Scheme.
13. Giving of guarantees or indemnity or becoming a surety by whatever name called for any third party.
14. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
15. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.