

**POLICY ON DETERMINATION OF MATERIALITY OF
EVENTS**

HB PORTFOLIO LIMITED

POLICY FOR DETERMINING MATERIALITY OF EVENTS

1. PREAMBLE:

The Securities and Exchange Board of India (SEBI) on 2nd September, 2015 issued the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”) effective from 01st December, 2015 with the aim to consolidate and streamline the provisions of existing listing regulations thereby ensuring better enforceability and bringing the basic framework governing the regime of Listed Entities in line with the Companies Act, 2013 and at the same time compiling all the mandates of varied SEBI Regulations / Circulars governing Equity as well as Debt segments of capital market.

Regulation 30 of the Listing Regulations deals with disclosure of material events / information by the Company whose equity and convertible securities are listed and are required to make disclosure of events / information specified under the relevant Schedule of Regulation 30. The Listing Regulations requires the Company to frame a policy for determination of materiality, based on criteria specified in the Listing Regulations, to be approved by Board of Directors of the Company and further to be disclosed on the website of the Company.

The Board of Directors of the Company shall authorize one or more Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchange(s) under Regulation 30 and the contact details of such personnel shall be also disclosed to the Stock Exchange(s) and as well as on the Company’s website.

The Board of Directors (the “Board”) of HB Portfolio Limited (the “Company” or “HBPL”) in their meeting held on 08th November, 2023 has amended/ updated the following Policy for determination of materiality of events as per Regulation 30 of the Listing Regulations.

2. APPLICABILITY:

This Policy shall be applicable to all the events relating to the Company as and when they fall under the criteria as mentioned in Clause 4 of this Policy. The purpose of this Policy is to determine materiality of events and information based on criteria specified under Regulation 30 of the Listing Regulations and to ensure that the Company shall make timely disclosures of events / information specified under the Regulations to the Stock Exchanges.

3. Definitions:

“**Acquisition**” shall mean-

- a. acquiring control, whether directly or indirectly; or
- b. acquiring or agreeing 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.

“Board of Directors” or **“Board”** means the Board of Directors of HB Portfolio Limited, as constituted from time to time.

“Company” means HB Portfolio Limited.

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

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

- a. Chief Executive Officer/ Managing Director/ Manager;
- b. Whole-time Director;
- c. Chief Financial Officer;
- d. Company Secretary;
- e. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel;
- f. such other officer as may be prescribed.

“Promoter” shall have the same meaning as assigned 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.

“Policy” means this Policy, as amended from time to time.

“Stock Exchange” means a recognised Stock Exchange as defined under Clause (f) of Section 2 of Securities Contracts (Regulation) Act, 1956.

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

Unless the context requires otherwise, words and expressions not defined herein shall have the meaning ascribed to them under the Listing Regulations, the SEBI Act, 1992, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, or any other cognate statute.

4. Policy and its Applicability:

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- i. The Company shall make disclosure of events specified in Para A of Part A of Schedule III of the Listing Regulations (as may be amended from time to time) without any application of the guidelines as specified in sub-regulation (4) of Regulation 30 of the Listing Regulations.
- ii. The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, based on application of the guidelines/ criteria for determination of materiality as specified in Para 4.
- iii. Any other information/event viz. major development that is likely to affect business, e.g. any change of accounting policy that may have a significant impact on the accounts and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.
- iv. The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors, is material. In case where an event occurs or information is available with the company, which has not been indicated in sub-para i, ii and iii above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

5. Criteria for determination of materiality of events / information

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;
- c) in case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of listed entity, the event / information is considered material.

Without prejudice to the generality of a, b and c above, the Company may make disclosures of event/information as specified by the Board from time to time.

6. Guidance on when an Event/Information is deemed to occur

The Company shall apply below guidelines on when an event/ information is deemed to be occurred:

- 1) The events/ information shall be said to have occurred upon receipt of approval of 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. the Board and the Shareholders.
- 2) The events / information that may be of price sensitive nature for 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.
- 3) In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company 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;
- 4) In case of other events, when the Company becomes aware of such events / information.

7. Disclosure of material events / information

- a) The Company shall first disclose to the Stock Exchange(s) all events or information which are material in terms of this Policy as soon as reasonably possible and in any case not later than the following:
 - (i) 30 minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
 - (ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
 - (iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Further, disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations shall be made within such timelines.

- b) The Company shall, with respect to disclosures referred to in Regulation 30 read with Schedule III of the Listing Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- c) The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under Regulation 30 read with Schedule III of the Listing Regulations, 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 the website of the Company.
- d) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- e) The Company shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information.
- f) The Company may on its own initiative also, confirm or deny or clarify any reported event or information to Stock Exchange(s).

- g) 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 III of the Listing Regulations, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof. VIII. In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 read with Schedule III of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

8. Authorization for determining Materiality of Event or Information

Unless otherwise decided by the Board of Directors, the Managing Director, Chief Financial Officer (CFO) and the Company Secretary (CS) being the Key Managerial Personnel of the Company shall be severally authorized for the purpose of determining materiality of an event or information as enumerated in Regulation 30 read with Schedule III of the Listing Regulations on the basis of criteria mentioned in Clause 4 above and making disclosures to the Stock Exchange(s).

9. Disclosure on the website of the Company

All such events or information which has been disclosed to stock exchanges under the Listing Regulations shall be made available on the Company's website for a minimum period of five years. The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

10. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

11. Amendment

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.