

POLICY ON DETERMINATION OF
MATERIALITY OF EVENTS

HB PORTFOLIO LIMITED

POLICY ON DETERMINATION OF 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 agreements 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 10th February, 2016 has adopted 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:

- 3.1) "BIFR" means Board for Industrial & Financial Reconstruction.
- 3.2) "Board of Directors" means the Board of Directors of the Company.
- 3.3) "Company" means HB Portfolio Limited.
- 3.4) "Compliance Officer" means the Company Secretary of the Company.
- 3.5) "Key Managerial Personnel" means key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.

3.6) "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.

3.7) "Stock Exchange" means a recognized stock exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

4) DISCLOSURE OF EVENTS:

The events to be disclosed by the Company are broadly divided into following three categories:

Category – A:

Covers the events that need to be necessarily disclosed without applying any test of materiality. Below are the details which the Company needs to disclose for the events that are deemed to be material:

1) Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/ restructuring) or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;

"Acquisition" shall mean:

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the listed company holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made under sub- clause (a) of clause (ii) of this explanation and such change exceeds 2% of the total shareholding or voting rights in the said company.

2) Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3) Revision in Rating(s);

4) Outcome of meetings of the Board of Directors held to consider or decide the following:

- 4.1. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- 4.2. any cancellation of dividend with reasons thereof;
- 4.3. the decision on buyback of securities;
- 4.4. the decision with respect to fund raising proposed to be undertaken;
- 4.5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
- 4.6. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- 4.7. short particulars of any other alterations of capital, including calls;
- 4.8. financial results;
- 4.9. decision on voluntary delisting by the Company from stock exchange(s);

- 5) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
- 6) Fraud/ Defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter;
- 7) Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
- 8) Appointment or discontinuation of share transfer agent;
- 9) Corporate Debt Restructuring;
- 10) One time settlement with Bank;
- 11) Reference to BIFR and winding-up petition filed by any party / creditors;
- 12) Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture; holders or creditors or any class of them or advertised in the media by the Company;
- 13) Proceedings of annual and extraordinary general meetings of the Company;
- 14) Amendments to memorandum and articles of association of the Company, in brief;
- 15) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Category - B

Covers the events that need to be disclosed by the Company, if considered material. Below are the details which the Company needs to be disclosed for the events on which the Company may apply materiality on the occurrence of such event:

- 1) Commencement or any postponement in the date of commencement of commercial operations of any unit/division;
- 2) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business or closure of operations of any unit/division;
- 3) Awarding, bagging / receiving, amendment or termination of awarded / bagged orders/contracts, not in the normal course of business;
- 4) Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
- 5) 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.;
- 6) Effect(s) arising out of change in the regulatory framework applicable to the Company;

- 7) Litigation(s) / dispute(s) / regulatory action(s) with impact;
- 8) Frauds/ defaults by Directors (other than Key Managerial Personnel) or employees of the Company;
- 9) Options to purchase securities including ESOP / ESPS Scheme;
- 10) Giving of guarantees or indemnity or becoming a surety for any third party not in the normal course of business;
- 11) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Category – C

Covers the information / events with major developments. The Company shall also disclose other information/ events with major developments likely to affect business of the Company, which shall, inter alia, include:

- 1) Change in Accounting Policy with significant impact on accounts etc;
- 2) Any information which may be necessary to enable the investors to appraise their positions and to avoid the establishment of false market in such securities;
- 3) Any market sensitive information or event determined as material by the Key Managerial Personnel or the Board of Directors of the Company.

In case where an event occurs or an information is available with the Company, which has not been indicated in Clause 4 mentioned hereinabove, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

5) CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS:

The Company shall consider the following criteria for determination of materiality of events / information:

- 1) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 2) 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;
- 3) 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 Company, the event / information is considered material.

6) GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED:

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 case of other events, when the Company becomes aware of such events / information.

7) AUTHORIZATION FOR MAKING DISCLOSURES:

The Managing Director and the Company Secretary being the Key Managerial Personnel (KMP) of the Company are severally / jointly authorized for the purpose of determining materiality of an event / information and for the purpose of making disclosures to stock exchange(s) under this Policy, the contact details of whom are given at the end of this Policy and shall also be available on the website of the Company, www.hbportfolio.com

8) DISCLOSURES AND TIMELINESS:

- 1) The Company shall disclose to stock exchange(s) of all events, as specified in:
 - (i) Clause 4 of this Policy, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information. However in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay;
 - (ii) Sub-para 4 of Category A of Clause 4 shall be specifically made within thirty minutes of the conclusion of the board meeting along with the time of commencement and conclusion of the meeting.
- 2) The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 3) The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five (5) years and thereafter as per the archival policy of the Company, as disclosed on its website.

9) AMENDMENT TO THE POLICY:

The Board of Directors shall alter, amend or modify this Policy from time to time in line with the requirement of the SEBI Guidelines, applicable law, rules, regulations etc. which may be amended and applicable from time to time.

10) DISCLOSURE OF THE POLICY:

This Policy shall be disclosed on the Company's website, www.hbportfolio.com

The contact details of the Key Managerial Personnel(s) for determining materiality of an event or information or making disclosure are given as hereunder:

Sr. No.	Name & Designation	Contact Particulars
1.	Mr. Anil Goyal (Managing Director)	Plot. No. 31 Echelon Institutional Area Sector – 32 Gurgaon – 122001 (Haryana) Ph: 0124-4675500 E-mail: anilgoyal@hbportfolio.com
2.	Mr. Dinesh Kapoor (Company Secretary & Compliance Officer)	Plot. No. 31 Echelon Institutional Area Sector – 32 Gurgaon – 122001 (Haryana) Ph: 0124-4675500 E-mail: corporate@hbportfolio.com