



**POLICY FOR DISCLOSURE OF EVENT OR INFORMATION
AND DETERMINATION OF MATERIALITY**

INDEX OF CONTENTS:

SL NO	PARTICULARS	PAGE NO.
1.	Introduction	1
2.	Purpose of the Policy	1
3.	Disclosure of events or information	1
4.	Criteria for determination of materiality of events or information and Procedure for disclosure thereof	2
5.	Time limit for disclosure	4
6.	Amendment	4
7.	Communication of this policy	4
8.	Contact	4

I. INTRODUCTION

The Board of Directors (the “Board”) of HOEC (the “Company”) has adopted the following policy and procedures with regard to disclosure of information and determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (“SEBI Listing Regulations”)

This policy has been adopted and approved by the Board of Directors at its meeting held on January 18, 2016 and has made revisions as required from time to time.

II. PURPOSE OF THE POLICY

The purpose of this policy is to ascertain the requirement of disclosure of events or information to stock exchange(s) and defining criteria for determining materiality of events and information specified under clause (i) of sub-regulation (4) of Regulation 30 of the SEBI Listing Regulations.

III. DISCLOSURE OF EVENTS OR INFORMATION

The company shall make disclosure of any events or information to the stock exchanges on a timely basis as follows:

- a) Events or information as stated in Para A of Part A of Schedule III of SEBI Listing Regulations shall be disclosed immediately in line with the Clause 5 mentioned herein below.
- b) Events or information as stated in Para A of Part B of Schedule III of SEBI Listing Regulations shall be disclosed based on the application of materiality as referred in Clause 4 in line with Clause 5 mentioned herein below.
- c) Any other events or information viz. major development that is likely to affect business,
e.g. emergence of new developments in blocks, 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, shall be disclosed by the company in line with the Clause 5 mentioned herein below.

- d) Events or information with respect to subsidiaries which are material for company shall be disclosed by the company in line with the Clause 5 mentioned herein below.
- e) Events or information which may have a material effect on the company and/or as specified by the Board of Directors and recommended by Audit Committee of the Company from time to time and/or such other events or information prescribed by the SEBI or any other authority for disclosure, from time to time shall be disclosed by the company in line with the Clause 5 mentioned herein below.

IV. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION AND PROCEDURE FOR DISCLOSURE THEREOF

The company shall consider the following criteria for determination of materiality of an event or information:

- i. The omission of disclosure of such event or information shall lead to discontinuity or alteration of event or information already available publicly.
- ii. The omission of disclosure of such event or information is likely to result in significant market reaction if the said omission came to light at a later date.
- iii. The omission of an event or information, whose value or the expected impact in terms of value exceeds the lower of the following:
 - a) two percent of turnover, as per the last audited consolidated financial statements of the Company; or
 - b) two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company;
 - c) 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

Accordingly, any transactions exceeding the lower of a), b) or c) above, with an annual impact in value, will be considered for the above purposes.

- iv. The event or information is in any manner unpublished price sensitive information;
- v. In case where the criteria specified in (i), (ii), (iii) and (iv) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors of the Company, the event / information is considered material.

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event or information which may require disclosure so that the event or information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges. Under the system, Chief Financial Officer, Chief Operating Officer, Presidents, Vice Presidents, Head of the Departments and Financial Heads who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Managing Director and / or Whole Time Director of the Company about any event or information.

In case such event or information is required to be disclosed or material in nature is not in the knowledge of responsible officer or comes to his knowledge subsequently, the responsible officer shall report immediately upon becoming aware of it to the Executive Director(s).

Contact details for above purpose:

1. Mr. R. Jeevanandam

Managing Director

'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai –

600018 Email - jeeva.r@hoec.com

Ph: 044-66229000

On receipt of communication by the Executive Director(s) of any such event or information or the matter will be reviewed and accessed in regard to its accuracy and necessity of disclosures of such event or information. The Executive Director(s) is authorised to decide on the such event or matter and the decision of the Executive Director(s) shall be final C binding.

Where the Company is not certain about materiality of event/information, it may refer the matter to the external legal advice.

The procedure to be followed in relation to the lodgement of announcement of event / information is as follows:

i. Prepare draft announcement to the Stock Exchanges:

The Company will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner.

ii. Lodge Announcements:

Once the event or information is decided, the Company Secretary / Managing Director / Executive Director are hereby severally authorised on behalf of the Company to lodge or arrange for lodgement of the announcement with the Stock Exchanges.

iii. Post announcement on website:

After lodgement of the announcement with the Stock Exchanges, the Company will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the SEBI Listing Regulations & Archival Policy of the Company.

V. TIME LIMIT FOR DISCLOSURE

The Company shall make disclosure to Stock Exchange(s) of all events specified in Clause III of this policy within the timelines specified in the applicable SEBI Listing Regulations.

VI. 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.

VII. COMMUNICATION OF THIS POLICY

Copy of this policy duly approved shall be placed before the Board and circulated among all the Director of the Company for their necessary action. Human Resource and Administration Department are required to notify C communicate the existence and contents of this policy to the employees, functional heads, head of departments, presidents, vice presidents, Directors and CFO of the Company. The new employees shall be informed about the policy by the Human Resource and Administration department. This policy as amended from time to time shall be made available at the Web site of the Company.

VIII. CONTACT

All query(ies) relating to this policy can be made to their concerned Manager / Executive Director/ Company Secretary / Managing Director.