

Hindustan Motors-Determination of Materiality of an Event or Information Policy

A. Purpose

Considering the requirements for determination of materiality of an event or information for disclosure to Stock Exchanges as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), the Board of Directors of Hindustan Motors Limited ("the Company") has formulated this policy known as **Hindustan Motors-Determination of Materiality of an Event or Information Policy** for determination of materiality of an event or information for disclosure to Stock Exchanges.

This policy is intended to ensure the proper disclosure of information.

B. Applicability

This policy will be applicable with regard to determination of materiality of the following events/information specified in Schedule III of SEBI LODR and such other information as may be specified under SEBI LODR or other regulations from time to time for disclosure to Stock Exchanges.

1. Commencement or any postponement in the date of commencement of commercial production or 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 lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) 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. Litigation(s) / dispute(s) / regulatory action(s) with material impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company related to the affairs of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.

11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. 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 shareholders of the Company to appraise its position and to avoid the establishment of a false market in shares of the Company.
14. The Company may make disclosures of event/information as specified by the SEBI from time to time.

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.

The Company shall also disclose all events or information with respect to subsidiaries which are considered material by it.

C. Determination and Announcement

The Board of Directors of the Company has constituted a Committee known as Disclosure Committee of Key Managerial Personnel of the Company for the purpose of determining materiality of an event or information and for the purpose of making disclosure to the Stock Exchanges. The Committee 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 insignificant 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 Committee, the event / information is considered material.

The Committee will approve the draft of the announcement to the Stock Exchanges which should be factual and expressed in clear manner.

The Company Secretary on behalf of the Company will lodge or arrange for lodgement of the announcement with the Stock Exchanges In the absence of Company Secretary, announcement with the Stock Exchanges will be lodged by any other Key Managerial Personnel or a Director of the Company.

After lodgement of the announcement with the Stock Exchanges, the Company Secretary 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 Archival Policy of the Company.

D. Effective

This policy will become effective from 1st December, 2015.

E. Disclosure

This policy shall be disclosed on the website of the Company.

F. Monitoring and review

The Board of Directors of the Company will review the Policy as and when necessary and make suitable modifications, as may be required.

G. Adoption

The Board of Directors of the Company has adopted this policy vide its resolution passed through circulation on 1st December, 2015.