

GHCL Limited

Policy for Determination of Materiality

[Regulation 30 of SEBI Listing Regulations, 2015]



GHCL Limited



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1. Introduction:

Risk Management is an integral part of the Company's plans and operations. While GHCL Limited, a publicly listed entity, recognizes the importance of promptly informing the stock exchanges and the public about material events or information that can affect the company's securities and the interests of its stakeholders. This policy for determination of materiality is framed in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). It outlines the criteria, and procedures for assessing material events and ensuring timely disclosure.

2. Policy Objective:

The objective of this policy is to determine the materiality of events or information concerning GHCL Limited and ensure their timely dissemination in accordance with the requirement of Listing Regulations.

This policy provides a comprehensive governance framework for the identification and disclosure of material events or information.

This policy shall be in consistent with the requirement of Regulation 30 of the Listing Regulations, 2015.

This policy shall assist the relevant employees of the company in identifying any potential material event or information and reporting the same to the Key Managerial Personnel (KMP) for determining the materiality of the said event or information and for making the necessary disclosures to the Stock Exchanges.

3. Definition:

- (i) **"Act"** shall mean the Companies Act, 2013 and the Rules framed thereunder.
- (ii) **"Board of Directors"** or **"Board"** means the Board of Directors of GHCL Limited, as constituted from time to time.
- (iii) **"Company"** means GHCL Limited.
- (iv) **"Key Managerial Personnel (KMP)"** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.
- (v) **"Material Event"** or **"Material Information"** shall mean events or information as set out in Schedule III of the Listing Regulations or as determined in accordance with applicable clause of this Policy.
- (vi) **"Material Subsidiary"** shall mean any subsidiary Company of GHCL Limited, determined as a material subsidiary as per the provisions of the Listing Regulations.





- (vii) **"Policy"** means this Policy for Determination of Materiality as may be amended from time to time.
- (viii) **"Regulations / Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, clarifications, circulars or re-enactments thereof.
- (ix) **"Schedule"** means Schedule III of the Listing Regulations.
- (x) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, or any other applicable laws or regulations to the extent applicable to GHCL Limited.

4. Criteria for determination of materiality of events or information

GHCL Limited shall consider the following criteria for determination of materiality of events or 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; or
- (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) *2% of the turnover, as per the last audited consolidated financial statements of the listed entity;*
 - (ii) *2% of the 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) *5% of the average of absolute value of profit or loss after tax, as per the last three years audited consolidated financial statements of the listed entity*
- (d) *In case where the criteria specified in sub-clauses (a) (b) and (c) mentioned above is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the listed entity, the event or information is considered material.*





5. Authority to the Key Managerial Personnel:

The Company Secretary in consultation with the Managing Director and / or CFO & Executive Director (Finance) is authorised to determine the materiality of an event or information for the purpose of making disclosures to the Stock Exchanges under Regulation 30 of the SEBI Listing Regulations, 2015.

The company secretary shall ensure that the criteria for determination of materiality as specified in para 4 herein above shall be adhered or fully satisfied.

In line with the requirement of Regulation 30(5) the contact details of KMP as mentioned below shall be disclosed to the Stock Exchanges and also on website of the company.

Sl. No.	Name & Designation of KMP	Contact details of authorised KMP
1	Mr. R S Jalan – Managing Director	GHCL House, B-38, Sector -1, Noida – 201301, Tel. No. 0120-2535335
2	Mr. Raman Chopra – CFO & Executive Director (Finance)	GHCL House, B-38, Sector -1, Noida – 201301, Tel. No. 0120-2535335
3	Mr. Bhwneshwar Mishra – Vice President – Sustainability & Company Secretary and also Compliance Officer	GHCL House, B-38, Sector -1, Noida – 201301, Tel. No. 0120-2535335, email: bmishra@ghcl.co.in

6. Timeline for disclosure of material events or information to the Stock Exchanges and ensuring availability of information on company website:

- (a) The event or information mentioned in **Part A of Schedule III** of the Listing Regulations for which time line have been specified, must be complied with.

In other words, disclosure w.r.t. all events or information mentioned in Part A of Schedule III, for which time line have been specified in Schedule III itself, shall be made with in such time line.

- (b) Disclosure of all material events or information, other than event or information mentioned in Part A of Schedule III for which time line have been specified, shall be disclosed 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;

(c) In case due to any exceptional circumstances, the time line mentioned in sub-point (a) and (b) of Point 6 mentioned hereinabove is not complied with, then such disclosure shall provide suitable explanation for such delay.

7. Regular updating of material development in the disclosed events / information:

The company shall, with respect to disclosures referred to in Regulation 30, make disclosures updating material development on regular basis, till such time the event is resolved/ closed, with relevant explanations.

8. Maintenance of Information on company website for a minimum period of 5 years:

The company shall disclose on its website all such events or information which has been disclosed to the Stock Exchanges under Regulation 30 and such disclosure shall be hosted on the website of the company for a minimum period of 5 years and thereafter as per the archival policy of the company, as disclosed on company's website.

9. Disclosure of material information related to the subsidiary:

The company shall disclose all events or information with respect to its subsidiaries which are material for the company.

10. The company shall provide specific and adequate reply to all queries raised by the stock exchanges with respect to any event or information;

11. The company may on its own initiative also confirm or deny any reported event or information to stock exchanges as soon as reasonably possible and not later than 24 hours from the reporting of the event or information. In case company confirms the reported event or information, it shall also provide the current stage of such event or information.

12. How to deal with the event or information which has not been mentioned in Para A or Para B of Part A of Schedule III:

The company shall be under obligation to make adequate disclosures in regard to the material event or information which are not mentioned in Para A or Para B of Part A of Schedule III.

13. In case an event or information is required to be disclosed by the Company under Regulation 30, pursuant to receipt of the 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.

14. How to make the disclosure of an agreement entered by the shareholders, promoters etc. under Regulation 30A where the company is not a party:

- (i) All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the GHCL or of its holding, subsidiary and associate company, who are parties to an agreements specified in clause 5 A of para A of Part A of Schedule III to these regulations, shall be under obligation to inform the GHCL about the agreement to which GHCL is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreement.
- (ii) The company shall be under an obligation to report to the stock exchange about the above agreement with in 24 hrs of receipt of above information.

15. Amendments

The Key Managerial Personnel may subject to the applicable laws amend any provision or substitute any of the provision with the new provision or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

Any subsequent amendment / modification in the listing regulations and / or other applicable laws in this regard shall automatically apply to this Policy.

16. 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 and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

17. Dissemination of policy

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company's intranet. In addition, thereto this Policy shall also be circulated to the promoter entities to enable them to understand their obligations for making disclosures of events / information of material nature pursuant to the requirement of Regulation 30 of Listing Regulations.





18. CHANGE LOG

1.	Type of Document	Policy
2.	Recommended by Audit & Compliance Committee	January 28, 2016
3.	Approved by Board of Directors	January 28, 2016
4.	Recommended by Audit & Compliance Committee	August 7, 2023
5.	Approved by Board of Directors	November 7, 2023
6.	Reviewed by Managing Director	April 1, 2024
7.	Document Control	Corporate Secretarial

For GHCL Limited

R S Jalan
Managing Director





Annexure - A

Events / information, which shall be disclosed to the stock exchanges without any application of the guidelines for Materiality:

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

Explanation 1 - '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 existing or to be incorporated, whether directly or indirectly, such that -
 - (a) 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
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
 - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in the Policy.

Explanation 2 - "sale or disposal of subsidiary" and "sale of stake in associate company" shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the company; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in the Policy.

Explanation 3 - "undertaking" and "substantially the whole of the undertaking" shall have the same meaning as given under section 180 of the Companies Act, 2013.

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. New Rating(s) or Revision in credit rating(s);
4. **Outcome of Meetings of the Board of Directors:** The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:





- (a) 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;
- (b) any cancellation of dividend with reasons thereof;
- (c) the decision on buyback of securities;
- (d) the decision with respect to fund raising proposed to be undertaken
- (e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- (f) 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;
- (g) short particulars of any other alterations of capital, including calls;
- (h) financial results;
- (i) decision on voluntary delisting by the Company from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

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;

5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of GHCL Limited (the Company) or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not GHCL is a party to such agreements.

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term 'directly or indirectly' includes agreements creating obligation on the parties to such agreements to ensure that the GHCL shall or shall not act in a particular manner.

6. Fraud or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director whether occurred within India or abroad. ;

- i. Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.





- ii. 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1-In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2-Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the GHCL Limited;

7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer;
- 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. **Resignation of independent director including reasons for resignation:** In case of resignation of an independent director of the GHCL Limited, **within seven days** from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
 - i. The letter of resignation along with detailed reasons for the resignation as given by the said director;
 - (ia) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any;
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii)] above.
- 7C. **In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director;** the Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities **within seven days** from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five





days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).

8. Appointment or discontinuation of share transfer agent;
9. Resolution plan / Restructuring in relation to loans / borrowings from banks / financial institutions including the following details:
 - (i) Decision to initiate resolution of loans/borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
10. One-time settlement with a bank;
11. 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 Company, in brief;
15. (a) Schedule of Analyst or institutional investors meet ***at least two working days in advance*** (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

 - (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means. simultaneously with submission to the recognized stock exchange(s), in the following manner :
 - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
16. Events in relation to the corporate insolvency resolution process (CIRP) of the Company under the Insolvency Code as mentioned in sub-point (a) to (p) of Point 16 of para A of Part A of Schedule III.





17. **Initiation of Forensic audit:** In case of intimation of forensic audit (by whatever name called), the following disclosures shall be made to the stock exchanges by Company:

- (a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- (b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.

Explanation –“social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:

- (a) search or seizure; or
- (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
- (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013. along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:

- (a) suspension;
- (b) Imposition of fine or penalty;
- (c) settlement of proceedings;
- (d) debarment;
- (e) disqualification;
- (f) closure of operations;
- (g) sanctions imposed;
- (h) warning or caution; or
- (i) any other similar action(s) by whatever name called;





along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, initiated or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

A handwritten signature in blue ink is positioned above a circular blue stamp. The stamp contains the GHCL logo and the text 'GHCL LIMITED' and 'NOIDA'.



Annexure - B

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

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 Company:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operations of any unit, division, or subsidiary (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) 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have impact on the listed entities;
9. Frauds or defaults by the employees of Company which has or may have an impact on the Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority;
14. 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 holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

