

GHCL LIMITED
CODE OF PRACTICES AND PROCEDURES
FOR
FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION

[Regulation 8 read with “Schedule A” of SEBI (PIT) Regulations, 2015]

Introduction:

The SEBI had promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “PIT Regulations”) on January 15, 2015. As per Regulation 8 read with Schedule A of the Regulations, every listed company is required to frame a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in order to make UPSI generally available.

1. **Applicability:** This Code shall apply in relation to disclosure by the Company of UPSI. The scope, exceptions, as given in PIT Regulations shall be applicable for the purpose of this Code as well.
2. **Definitions:**
 - a) **“Chief Investor Relations Officer”** means a Sr. Officer of the Company designated as Chief Investor Relations Officer (CIRO) who shall be responsible to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
 - b) **Unpublished Price Sensitive Information:** According to Regulation 2(n) of SEBI PIT Regulations, 2015, "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel;



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- c) **Sharing of information for legitimate purpose:** The policy for determination of legitimate purposes as required under Regulation 3(2A) of the said Regulations, is given in Annexure - 1 to this Code and shall be the integral part of this code.

3. **Corporate Disclosure Policy:**

- a) The Board of Directors of the Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available in public domain.
- b) The disclosure of Unpublished Price Sensitive Information shall be in a uniform manner and shall not be on selective basis.
- c) In order to do this, Mr. Sunil Gupta, General Manager -Finance shall act and designated as a Chief Investor Relations Officer (CIRO) of the Company and shall deal with
- a. dissemination and disclosure of UPSI on an uniform manner,
 - b. ensuring that the Company complies with principle of fair disclosure of Unpublished Price Sensitive Information, such as
 - i. prompt dissemination of UPSI that gets disclosed selectively, inadvertently, or otherwise to make such information generally available;
 - ii. appropriate and fair response to queries on news reports and clarification/ verification of market rumours by regulatory authorities;
 - iii. ensuring information shared with analysts and research personnel is not UPSI;
 - iv. developing best practices for recording of proceedings of meeting with analysts and other investor relations forum and getting it promptly posted at official website of the company and
 - v. handling of all unpublished price sensitive information on a need to know basis.
- d) If any UPSI is selectively or accidentally disclosed, then prompt disclosure of such information shall have to be made by Chief Investor Relations Officer (CIRO) to the public. Such disclosure must be made not later than 48 hours after the CIRO learns that communication of such UPSI has taken place.

4. **Responding to Market Rumours and queries:**

- 4.1. The Directors and Employees of the Company shall promptly direct any queries or requests for verification of market rumours received from the stock exchanges or from the press or media or from any other source to the Company Secretary and CIRO.
- 4.2. It is the general policy of the company not to respond to market rumours or speculations unless required by the regulatory authorities. The standard response shall be "it is the company's policy **not to comment rumours or speculation**". However, any rumours that has had or is likely to have a substantial effect on the price of the company's securities will be clarified or confirmed in accordance with securities regulations.



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- 4.3. The Company Secretary / CIRO shall on receipt of requests as aforesaid, consult the Managing Director / Executive Director (Finance) & CFO and respond to the same without any delay.
- 4.4. The Company Secretary / CIRO, in consultation with the Managing Director and / or Executive Director (Finance) & CFO shall decide as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.
- 4.5. All the requests/ queries received shall be documented and as far as practicable, the Company Secretary, shall request for such queries / request in writing.

5. **Disclosure / dissemination of Unpublished Price Sensitive Information with special reference to Analysts, Research Personnel and Institutional Investor.**

5.1. **Sharing of Public Information:**

- 5.1.1. The Directors, Officers, and Employees of the company shall provide only public information to the analysts / research personnel/ large investors like financial institutions, private equity etc.
- 5.1.2. In case non-public information is proposed to be provided, by the Directors, Officers, and Employees, the person proposing to so provide information shall consult Managing Director / Executive Director (Finance) & CFO the Company Secretary / CIRO.

5.2. **Handling of unanticipated questions:**

- 5.2.1. The Managing Director / Executive Director (Finance) & CFO / Company Secretary / CIRO / any other authorized official of the company, shall take extreme care and caution when dealing with analysts' questions and raise issues outside the intended scope of discussion.
- 5.2.2. Managing Director / Executive Director (Finance) & CFO / Company Secretary / CIRO should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on after examining its sensitivity. If answer to any question requires dissemination of UPSI, the Managing Director / Executive Director (Finance) & CFO/ Company Secretary / CIRO shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded at the website of the company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

5.3. **Simultaneous Release of Information:**

- 5.3.1. Whenever the Company proposes to organize meetings with investment analysts/ institutional investors, the Company shall make a press release or post relevant information on its website. The company may also consider live webcasting of analyst meets.



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5.3.2. The corporate communication department in consultation with the Managing Director / Executive Director (Finance) & CFO / Company Secretary/ CIRO shall draft the press release or the text of the information to be posted on the Company's website.

5.4. Medium of Disclosure / dissemination of UPSI:

5.4.1. The Company shall disseminate all UPSI promptly and on a continuous basis to stock exchanges where its securities are listed.

5.4.2. As a good corporate practice, the UPSI disclosed to the Stock Exchanges and may also be supplemented by prompt updates on the Company's website.

5.4.3. The information filed by the Company with the Stock Exchanges under the Listing Regulations shall also be posted on the Company's website.

5.5. Process for Public Disclosure

The Company shall comply with all applicable laws and regulations regarding the timely disclosure of UPSI and changes. In order to decide that information is material or not, it must be discussed with the respective head of department and thereafter with the Managing Director. Once a decision is made that information is material, the Company will immediately initiate a process to ensure full, true, plain and timely disclosure of that information via recognized new services, in compliance with applicable SEBI laws, Insider Trading Regulations and Listing Regulations, which require prompt disclosure, and broad dissemination to the public in a manner that is both accurate and complete. Unfavourable news must be disclosed as promptly and completely as favourable news.

The principal method of publicly disclosing UPSI shall be through the stock exchanges and company's website.

The Company will file material change reports when required in accordance with applicable SEBI laws, regulations, circulars and notification.

When a decision has been made that information is material and will be disclosed, the following steps will be taken:

5.5.1. A draft news release will be developed by individuals and departments knowledgeable about the subject matter. In the case of technical geological or engineering data, the draft content shall be supplied by the Qualified Person and the Qualified Person shall approve in writing the news release content in its final form before dissemination.



- 5.5.2. The draft news release will be reviewed by the Company Secretary in consultation with Managing Director / Executive Director and CFO/ CIRO, to ensure it is in compliance with applicable securities laws and the Exchange's requirements.
- 5.5.3. The Chief Financial Officer / CIRO shall have specific responsibility to review and validate all financial data contained in news releases and will ensure that disclosures are consistent with prevailing accounting standards and guidelines.;
- 5.5.4. The Company Secretary will have specific responsibility to ensure that the content of the release clearly and effectively communicates the intended substance and meaning of the information to the public.
- 5.5.5. The Company Secretary shall promptly forward a copy of the disseminated news release to the concerned person for uploading on the Company's website.

5.6. Sharing of Unpublished Price Sensitive Information on need to know basis:

Price Sensitive Information must be handled on a 'need to know' basis. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

5.7. Need to Know Principle

In certain circumstances, the Managing Director / Executive Director (Finance) & CFO / Company Secretary / CIRO may delay disclosure of Unpublished Price Sensitive Information where immediate or premature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to the Company's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, Company may withhold public disclosure for a limited period of time but it must ensure the information remains confidential.

When Unpublished Price Sensitive Information is being temporarily withheld, Company will take the following precautions to keep the information confidential:

- 5.7.1. the information will only be disclosed to Company Personnel, the controlling shareholder (if any) and credit rating agencies in the necessary course of business and on a "need to know" basis;
- 5.7.2. if and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company;
- 5.7.3. confidentiality agreements will be used to ensure protection and confidentiality of the information by third parties;
- 5.7.4. Reasonable care will be taken to ensure appropriate security and protection of the information.



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- 5.7.5. These responsibilities and procedures also apply during the period of time when news releases involving Unpublished Price Sensitive Information are being developed, until the information has been released and disseminated to the investing public.
- 5.7.6. When the confidential Unpublished Price Sensitive Information being withheld involves a material change, Company will file a report with the Exchange and relevant securities regulators on a confidential basis in accordance with applicable securities legislation.
- 5.7.7. If, at any time or in any circumstance, confidential Unpublished Price Sensitive Information is inadvertently divulged in a way that results in selective disclosure to any member of the investing public, then CIRO or Company Secretary will initiate a process to ensure full public disclosure and dissemination.

5.8. Standard Practice for information seeker:

- 5.8.1. Request for seeking UPSI must be in writing/ or through email;
- 5.8.2. Purpose of obtaining information must be disclosed;
- 5.8.3. Declaration must be given that information shall be used for legitimate purposes, cannot be given to anyone except to discharge legal obligation and it is essential for discharge of his duties;
- 5.8.4. Such other conditions which may be required to strengthen the system;

5.9. Standard Practice for information provider:

- 5.9.1. Ensuring that request is received from the official email id or under the signature of information seeker;
- 5.9.2. Ensuring that he is assigned for the purpose for which he is seeking such information by discussing with him or his senior;
- 5.9.3. Shall maintain the data bank for the information shared;
- 5.9.4. Confidential information preferably be given in hard copy or password protected file.

6. Third party dealings:

- 6.1. In order to avoid misrepresentation or misquoting, endeavour shall be made that at least two representatives of the Company are present in the meetings or conference calls with analysts, brokers or institutional investors.
- 6.2. The transcripts of aforesaid conference calls or record of the proceedings of the meetings shall be made available on the website of the Company to ensure official confirmation and documentation of the information shared during such meetings and conference calls.

7. Amendment:

Any amendment to this code due to change in law and making it more effective shall be updated and posted on website of the company.




GHCL POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES”**Introduction:**

Pursuant to provision of Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of directors are required to make a policy for determination of “legitimate purposes”. The policy for determination of “legitimate purposes” shall be as a part of “Code of Fair Disclosure and Conduct” formulated under Regulation 8 of SEBI (PIT) Regulations, 2015.

Scope of Policy:

The term “Legitimate purpose” shall include sharing of Unpublished Price Sensitive Information” (UPSI) in the ordinary course of business by an insider on a need to know basis, with Company’s collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals or other advisors, service providers or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations.

Whether sharing of UPSI for a particular instance tantamount to ‘legitimate purpose’ would entirely depend on the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing the UPSI:

- i) whether sharing of such UPSI is in the ordinary course of business of the Company;
- ii) whether sharing of such UPSI is in the interests of the Company or in furtherance of a genuine commercial purpose; and
- iii) whether the nature of UPSI being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an insider for purposes of the PIT Regulations and due notice shall be given to such person which would inter alia include the following:-

- The information shared is in the nature of UPSI, confidentiality of such UPSI must be maintained, and such UPSI must not be disclosed by the recipient in any manner except in compliance with the PIT Regulations.
- The recipient must not trade in the securities of the Company while in possession of UPSI.

In addition to the above and pursuant to requirement of Regulation 3(5) of SEBI (PIT) Regulations, “Structured digital database” of recipients of UPSI shall be maintained by the Company. The Structured Digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tempering of the database.

