

GCIL Policy for Determination of Materiality of Events or Information

Preface:

The Board of Directors of Gujarat Craft Industries Limited has adopted the following policy and procedure to determine Materiality of Events or Information and to ensure that such Event or Information is adequately disseminated to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Applicability:

This Policy shall be applicable to all events relating to the Company, as and when they fall under the criteria elucidated below.

This Policy shall be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive Information.

Definitions:

1. **“Board of Directors”** means the Board of Directors of the Company as constituted from time to time.
2. **“Company”** means Gujarat Craft Industries Limited (GCIL).
3. **“Compliance Officer”** shall be the person holding the position of the Company Secretary of the Company, from time to time.
4. **“Key Managerial Personnel”** means Key Managerial Personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.
5. **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. **“Mainstream Media”** shall include print or electronic mode of the following:
 - i. Newspapers registered with the Registrar of Newspapers for India;
 - ii. News channels permitted by Ministry of Information and Broadcasting under Government of India;
 - iii. Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and

- iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;
7. **“Material Events or Information”** means Events or Information as provided under Category A, Category B and Category C below.
8. **“Normal Trading Hours”** shall mean time period for which the recognized Stock Exchanges are open for trading for all investors.
9. **“Promoter”** shall have the same meaning as assigned in clause (oo) of sub-regulation (1) of Regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
10. **“SEBI”** means Securities Exchange Board of India.
11. **“Stock Exchange”** refers to the stock exchange(s) where the Securities of the Company are listed from time to time.

Disclosure of Events:

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

Category A:

Covers Events or Information which are specified in Para A of Part A of Schedule III of the Listing Regulations (as amended from time to time) that needs to be necessarily disclosed without applying any guidelines for materiality.

The timelines for disclosure of such Events or Information to the Stock Exchanges where Equity Shares of the Company are Listed shall be:

- In case the Event or Information is emanating from outside the organisation: within 24 hours of occurrence of Event;
- In case the Event or Information is emanating from within the organisation:
 - Event emanating from a decision taken in the Board Meeting:
 - Within 30 minutes - incase the meeting of the Board of Directors closes during normal trading hours
 - Within 3 hours - incase the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day
 - Within thirty minutes or three hours, as applicable – The Financial Results shall be disclosed from closure of such meeting for the day on which it has

been considered in case the meeting of the Board of Directors is being held for more than one day

- o Others – within 12 hours from occurrence of Event

Category B:

Covers all Events or Information which are specified in Para B of Part A of Schedule III of the Listing Regulations (as amended from time to time) which are required to be disclosed by the Company upon application of the criteria for materiality mentioned herein below:

Criteria for determination of Materiality of Events or Information:

The Company 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:
 - (1) 2% of turnover, as per the last audited consolidated financial statements of GCIL;
 - (2) 2% of net worth, as per the last audited consolidated financial statements of GCIL, except in case the arithmetic value of the net worth is negative;
 - (3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of GCIL;
- (d) In case where the criteria specified in sub-clauses (a) or (b) or (c) are not applicable, any other Event or Information which is treated as being material in the opinion of the Board of Directors of GCIL.

The timelines for disclosure of such Events or Information to the Stock Exchanges where Equity Shares of the Company are Listed shall be:

- In case the Event or Information is emanating from outside the organisation: within 24 hours of occurrence of event;
- In case the Event or Information is emanating from within the organisation:
 - Within 30 minutes - incase the meeting of the Board of Directors closes during normal trading hours
 - Within 3 hours – incase the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day
 - Others – within 12 hours from occurrence of Event

- In case of maintaining information w.r.t. litigation or dispute (other than tax litigation or dispute) in the Structured Digital Database - within 72 hours of receipt of the notice by the Company

Provided that any other Event or Information which is treated as being material in the opinion of the Board of Directors of the Company is necessarily required to be disclosed to the Stock Exchanges any time after the decision is taken or approval is granted within above mentioned timelines from the conclusion of the Meeting of the Board of Directors of the Company.

Category C:

Verification of Market Rumours:

The Company shall confirm, deny or clarify:

- Upon Material Price Movement in the Securities of the Company in a manner as specified by the Stock Exchanges,
- Any reported Event or Information in the Mainstream Media which is not general in nature and which indicates that a rumour of an impending specific Event or Information is circulating amongst the investing public
- As soon as reasonably possible but in any case, not later than 24 hours from the trigger of material price movement.

If the Company confirms the reported Event or Information, it shall also provide the current stage of such Event or Information.

The Company may on its initiative also, confirm, deny or clarify any reported Event or Information to Stock Exchanges.

The Directors, Key Managerial Personnel and Senior Management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the requirements of verification of market rumors and the Company shall disseminate the response received from such individual(s) promptly to the Stock Exchanges.

In case there are no rumours as envisaged above, the Company need not clarify to the Stock Exchanges.

Any Impending specific event/information which is in connection to an unlisted subsidiary shall also be confirmed/denied/clarified by the Company if there is a Material Price Movement.

For the purpose of verification of market rumours, the Company shall follow the industry standards note on verification of market rumours, recognized by SEBI

Circular dated 21st May, 2024 and issued by Industry Standards Forum (“ISF”) under Regulation 30 (11) of Listing Regulations, as amended from time to time.

Authorization for making Disclosures:

The Managing Director, Chief Financial Officer and Company Secretary of the Company are severally authorized for the purpose of determining Materiality of an Event or Information for the purpose of making disclosures to Stock Exchange(s) under this Policy, the contact details of whom are also available on the website of the Company.

Further, occurrence of all such Events/Information determined to be Material shall be immediately intimated to the Secretarial & Legal Department of the Company for making necessary Disclosures to Stock Exchanges as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures and Timeliness:

1. 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.
2. The Company shall disclose all events or information with respect to its subsidiaries, if any which are material for the Company.

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 of period of 5 years and thereafter as per the archival policy of the Company, as disclosed on the website.

Amendment to the Policy:

This Policy is framed based on the provisions of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Regulations which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in the Regulations or as may be felt appropriate by the Board.

Dissemination of Policy:

In compliance with the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy shall be uploaded on the website of the Company and circulated to all employees of the company. All vertical/functional heads are required to adhere to and ensure compliance of this policy.

This updated Policy is approved by the Board of Directors on 2025.
