



GOODRICKE GROUP LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION FOR DISCLOSURE

*[Pursuant to Regulation 30(4) of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015]*

Version – 2.0

Effective 9th November, 2023

[As approved by the Board of Directors on 09/11/2023]

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION FOR DISCLOSURE

1. INTRODUCTION

Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') requires every listed entity to frame a policy for determining and disclosing the events or information which, in the opinion of the Board of Directors of a Company are material.

Accordingly, Goodricke Group Limited (hereinafter referred to as "Goodricke" or "Company") has formulated this "Policy for Determination of Materiality of Events and Information for Disclosure" in accordance with the provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR/Listing Regulations").

SEBI vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 ("Amendment Regulations") dated 14th June 2023 has notified several changes to the Listing Regulations with respect to the disclosure of material events. The same has now been incorporated under this revised policy.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to assist the employees of the Company in identifying any potential material events or information in an objective manner that may originate at the ground level which can be promptly reported to the Key Managerial Personnel of the Company, as specified in this Policy, for determining the materiality of the said event or information. The Policy defines the Company's responsibilities to ensure timely and adequate disclosure of material events and price sensitive information to the Stock Exchange and on the website of the Company.

All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

3. DEFINITIONS

In this Policy, unless the context otherwise requires:

- i. **"Act"** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- ii. **"Company"** means Goodricke Group Limited.
- iii. **"Key Managerial Personnel"** means Key Managerial Personnel as defined in Section 2(51) of the Companies Act, 2013.
- iv. **"Material Events/Information"** shall mean events or information stated as such under Regulation 30 of Listing Regulations read with Part A of Schedule III thereto.

- v. **“Net Worth”** means net worth as defined in Section 2(57) of the Act.
- vi. **“Officer”** shall mean officer as defined under the Act and shall also include the Promoter of the Company.
- vii. **“Social media intermediaries”** shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
- viii. **“Turnover”** means turnover as defined in Section 2(91) of the Act.

4. GUIDELINES FOR MATERIALITY ASSESSMENT

I. Events which are deemed to be material events

The Company shall disclose all events/information which are stated in Para A of Part A of Schedule III to the Listing Regulations without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations mentioned herein as **ANNEXURE - A**.

II. Events which are dependent on application of guidelines for materiality

The Company shall disclose all the events or information specified in Para B of Part A of Schedule III of the Regulations, based on application of materiality criteria, as set out under Listing Regulations and enclosed as **ANNEXURE -B**.

Quantitative Criteria for determining the materiality of events or information

Quantitative criteria would be calculated based on audited consolidated financial statements (consolidated to be read as standalone in case consolidation of accounts is not applicable) and would mean the omission of an event/information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- i. *two percent (2%) of turnover*, as per the last audited consolidated financial statements of the Company; or
- ii. *two percent (2%) of net worth*, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or
- iii. *five percent (5%) of the average of absolute value of profit or loss after tax*, as per the last three (3) audited consolidated financial statements of the listed entity;

Qualitative Criteria for determining the materiality of events or information

Qualitative criteria would mean an event/information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. 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
- iii. any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

5. TIME LIMIT FOR THE DISCLOSURE

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (i) **thirty 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) **twelve hours from the occurrence of the event or information**, in case the event or information is **emanating from within the Company**;
- (iii) **twenty-four hours from the occurrence** of the event or information, in case the event or information is **not emanating from within the Company**.

Provided that the disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.

Guidance on timing of an event or information

The Company may be confronted with the question as to when an event/information can be said to have occurred. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information (based on the facts and circumstances), can probably be said to have occurred upon receipt of the approval from the Board of Directors.

In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, the authorized persons of the Company has or ought to have reasonably come into possession of the information in the course of performance of his duties.

6. AUTHORIZED PERSON

Regulation 30(5) of Listing Regulations provides that the Board of Directors of the Company shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

Therefore, the Board of Directors have authorised the following for the purpose of determining materiality of an event or information and making disclosure to Stock Exchanges.

1. Managing Director & CEO
2. Director (Finance) & Chief Financial Officer
3. Company Secretary & Compliance Officer

Details of the above KMPs are also available on the website of the Company.

Powers and Responsibilities of the Authorised Person for determining material events or information within the Company:

- a) To review and assess the materiality of an event that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at that point in time. In case the relevant authorized person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).
- b) To make required disclosures within the stipulated time of actual occurrence of an event or information, after ascertaining facts.
- c) To protect the confidentiality of materiality/price sensitive information within the context of the Company's disclosure obligations.

7. REVIEW AND AMENDMENTS

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the Clauses/provisions in the Policy inconsistent with the Regulations, the provisions of the Listing Regulations would prevail over the Policy and the Clauses/provisions in the Policy would be deemed to be modified accordingly. The Board also, at its discretion, has the power to review and revise the Policy.

8. SCOPE AND LIMITATIONS

The policy, by no means dilutes any requirement specified under the provisions of the Listing Regulations. In case of any ambiguity, the Listing Regulations shall override the contents of the Policy.

9. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company i.e. www.goodricke.com

ANNEXURE- A

(Para A of Part A of Schedule III)

*Events which are to be disclosed **without any application of the guidelines for materiality** as specified in sub-regulation (4) of regulation (30)*

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

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean- (i) acquiring control, whether directly or indirectly; or (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that -

- (a) the listed entity 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 subclause (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 sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2) - For the purpose of this sub-paragraph, "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 listed entity; 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 subclause (c) of clause (i) of sub regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, "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 Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity 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 listed entity 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 listed entity), 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 the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity 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 listed entity 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 listed entity shall or shall not act in a particular manner.

- 6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- (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 listed entity.

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 listed entity, detailed reasons for (2) resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities 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 auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

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 detailed reasons as specified in subclause (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 listed entity 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 listed entity.

13. Proceedings of Annual and extraordinary general meetings of the listed entity.

14. Amendments to memorandum and articles of association of listed entity, in brief.

15. (a) Schedule of analysts 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 listed entity 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. The events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

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

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 a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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 listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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;
- vi. 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 listed entity under section 131 of the Companies Act, 2013.

ANNEXURE -B

*Events which shall be disclosed upon **application of the guidelines for materiality** referred sub-regulation (4) of regulation (30) (Para B of Part A of Schedule III)*

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 listed entity:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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 an impact on the listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named 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.