



Godrej Industries Limited

CIN: L24241MH1988PLC097781

Regd. Office: Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400079.

Tel.: 2518 8010/ 8020/ 8030; **Fax:** 25188066; **Website:** www.godrejindustries.com

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

I. BACKGROUND AND APPLICABILITY OF THE POLICY

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with various circulars / notifications issued by SEBI (including any modification(s) / amendment(s) / re-enactment(s) thereto) ("**Listing Regulations**" / "**Regulations**") requires every Listed Company to formulate a Policy for determining events or information which are material.

Considering the aforesaid requirements, Godrej Industries Limited ("**the Company**" / "**GIL**") has formulated this Policy for determining materiality of an event or information ("**the Policy**") for the purpose of disclosures to be made by the Company to Stock Exchanges in compliance with the applicable provisions of the Listing Regulations.

II. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

Godrej Industries Limited ("GIL / the Company") shall consider the following criteria(s) for determination of materiality of events / information:

1. Regulation 30 of the Listing Regulations mandates disclosure of all *deemed* material events to the Stock Exchanges. These events have been specified in Para A of Part A of Schedule III of the Regulations (**enclosed as Annexure A**) and shall be disclosed as applicable from time-to-time.
2. For disclosure of certain events as specified in Para B of Part A of Schedule III of the Regulations (**enclosed as Annexure B**) to the Stock Exchanges, the following criteria shall be considered by the Board for determining whether the events are material or not:-
 - a. Where the omission of an event or information, is likely to result in discontinuity or alteration of event or information already available publicly; or
 - b. Where the omission of an event or information, is likely to result in a significant market reaction if the said omission came to light at a later date;
 - c. Where 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% (two percent) of turnover, as per the last audited consolidated financial statements of GIL;
 - (ii) 2% (two percent) of net worth, as per the last audited consolidated financial statements of GIL, except in case the arithmetic value of the net worth is negative;

- (iii) 5% (five percent) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of GIL;
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of GIL, the event or information is considered material.

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event.

III. DISCLOSURE PROCESS

1. Any event purported to be reportable under Annexure A and Annexure B of this Policy shall be informed to the Chairperson / Managing Director / Chief Financial Officer / Company Secretary of the Company on gil.secretarial@godrejinds.com on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Listing Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer & / or to the Company Secretary.
2. The Chairperson, Managing Director, Chief Financial Officer and the Company Secretary of the Company shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
3. After evaluation of the materiality of event / information, any one of the above mentioned persons shall make disclosure to the Stock Exchanges.
4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.
7. All disclosures shall be available on the website of the Company for a period of 5 years.

IV. MODIFICATION / AMENDMENT OF THE POLICY

Any change in the Policy and / or Annexures necessitated due to subsequent changes amendment / modification in the provisions of the Listing Regulations or any other applicable law shall be incorporated to give effect to such changes without any further act by the Board of Directors of the Company and the Company Secretary shall be authorized to give effect to such changes.

Further, any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding.

Annexure-A

(Same as Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time)

Events which shall be disclosed without application of materiality thresholds as set out in Point I:

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 GIL, sale of stake in associate company of GIL or any other restructuring.
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:** GIL 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 GIL 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 GIL), 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 GIL or of its holding, subsidiary or associate company, among themselves or with GIL 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 GIL or impose any restriction or create any liability upon GIL, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not GIL is a party to such agreements.

Provided that such agreements entered into by a GIL 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 GIL or they are required to be disclosed in terms of any other provisions of these regulations.

6. Fraud or defaults by a GIL, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of GIL, whether occurred within India or abroad.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.
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 GIL.
13. Proceedings of Annual and extraordinary general meetings of GIL.
14. Amendments to memorandum and articles of association of GIL, 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 GIL to analysts or institutional investors.

(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).
16. 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)
- 18 Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a GIL, in relation to any event or information which is material for GIL in terms of regulation 30 of the Listing Regulations and is not already made available in the public domain by GIL.
- 19 Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against GIL or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to GIL, 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.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against GIL or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the GL, 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.
21. Voluntary revision of financial statements or the report of the board of directors of GIL under section 131 of the Companies Act, 2013

Annexure-B

(Same as Para B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time)

Events which shall be disclosed upon application of materiality thresholds as set out in Point I:

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 GIL:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tieup; 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) (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 GIL.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on GIL.
9. Frauds or defaults by employees of GIL which has or may have an impact on GIL.
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. 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 GIL which may be necessary to enable the holders of securities of GIL to appraise its position and to avoid the establishment of a false market in such securities.
15. GIL may make disclosure of event/information as specified by the Board from time to time.