

**POLICY ON DETERMINATION OF MATERIALITY**

*[Pursuant to Regulation 30 of Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

w.e.f.: 18<sup>th</sup> November, 2016

**PURPOSE OF POLICY:**

In an endeavour to promote transparent and close communication with the shareholders, the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015) requires every listed Company to have a policy on determination of material events and disclosures thereof.

The Policy outlines the guidelines to be followed by “Pure Giftcarat Limited” for the consistent, transparent, regular and timely public disclosure and dissemination of material events/information. The Company is committed to factual, timely and accurate disclosure based on applicable legal and regulatory requirements.

**OBJECTIVE OF POLICY:**

The policy has been framed with the objective of providing adequate and appropriate disclosures that are consistent with the facts of the material events. The current policy mechanisms regulate:

- the procedure determining the materiality of the events/information,
- the procedure governing the disclosure of the events that are deemed to be material;
- to decide upon the instance when the material events have occurred and the time frame within which the information is to be disclosed.

**DEFINITIONS:**

- I. “Company”** means “Pure Giftcarat Limited”;
- II. “Board”** means the Board of Directors of the Company;
- III. “Listing Regulations”** means the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015)
- IV. “Policy”** means this Policy on Determination of Materiality of events;
- V. “Schedule III”** means Schedule III of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015

Any other term not defined herein shall have the same meaning as ascribed to it under the Companies Act, 2013, Listing Agreement, Listing Regulations framed by the Securities Exchange Board of India or any other relevant regulation/legislation applicable to the Company.

**GUIDELINES FOR DETERMINING MATERIALITY:**

The Company shall consider the following criteria for determining the materiality of the events:

- a) The omission of an event or information which is likely to result in discontinuity or alteration of an 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 as may be decided by the Board;

**AUTHORITY AND RESPONSIBILITY:**

The Policy has been established and approved by the Board of Directors in their meeting held on 18<sup>th</sup> November, 2016, pursuant to the Listing Regulations.

The Key Managerial Personnel (hereinafter referred to as the “Authorised Officials”) shall be severally responsible to deal with the dissemination of information and disclosure of any material event or information covered under this Policy to the Stock Exchange, where the shares of the Company are listed, as well as hosting the said event or information on the website of the Company simultaneously.

**DISCLOSURES COVERED BY THIS POLICY:**

The Company shall make timely disclosure of events which are material in nature in terms of this Policy to the stock exchange(s) where the shares of the Company are listed. The events covered under Part A of Schedule III shall be taken into consideration for determination of materiality. Based on the materiality, the Company shall make mandatory disclosure of the events and information specified below:

**I. MATERIAL EVENTS**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/ demerger/ restructuring), or sale or disposal of any unit(s), division(s) or Subsidiary of the Company or any other restructuring.

Explanation.- For the purpose of this sub-para, the word '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 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-para and such change exceeds two per cent of the total shareholding or voting rights in the said Company.

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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. Revision in 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 listed entity from stock exchange(s).
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.
6. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

## **II. OTHER EVENTS.**

The below mentioned are the other events whose materiality shall be determined as per the criteria specified in this Policy. The Key Managerial Personnel of the Company shall be responsible for determining the materiality of the other events of the Company.

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (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) (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 the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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.

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Any event or the information which comes in the knowledge of the Authorised Officials, though not covered above but has material effect on the operations of the Company will be adequately disclosed to the Stock Exchange.

The disclosure and communication of the material events and information shall be addressed in a clear and precise manner. The Authorised Officials of the Company will furnish prompt and accurate reply to the stock exchange on the queries raised by the stock exchange in relation to any events or information disclosed to it.

The access to all the disclosures made by the Company to stock exchange will also be made available on the website of the Company at [www.puregiftcarat.com](http://www.puregiftcarat.com). Any material developments in the events disclosed to the stock exchange shall also be disclosed in the requisite time frame.

### **TIMELINE FOR DISCLOSURE OF MATERIAL EVENTS:**

The Company shall first disclose to stock exchange(s) of all events, as specified in Part I and Part II of this policy, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information.

Further, in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

### **DELAY IN DISCLOSING MATERIAL INFORMATION:**

In certain unavoidable circumstances or due to confidentiality of information for a limited period of time, the Company might delay in disclosing the material event/information to the stock exchange, in that case the disclosure regarding delay in disclosing the material event/ information along with the reasonable explanation and clarification will be disseminated to the stock exchange by the Authorised Officials of the Company.

### **EFFECTIVE DATE:**

This policy is effective from 18<sup>th</sup> November, 2016.

### **REVIEW OF THE POLICY:**

This policy shall be subject to review by the Board as may be deemed necessary and in accordance with any regulatory amendments.

### **For PURE GIFTCARAT LIMITED**

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858

**BRIJESHKUMAR MALI**  
Director  
DIN: 07385024

Date: 18<sup>th</sup> November, 2016  
Place: Surat