

# **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS**

**PURETROP FRUITS LIMITED** (formerly known as Freshtrop Fruits Limited)

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# PURETROP FRUITS LIMITED

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## Introduction:

The Securities and Exchange Board of India (“SEBI”) has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) on 2nd September, 2015, which shall be applicable to all listed entity with effect from 1st December, 2015. The Listing Regulations, 2015 shall replace the existing Listing Agreements entered by the Company with the Stock Exchanges.

The Listing Regulations, 2015 inter alia contain provisions for disclosure of certain events or information, which in the opinion of the Board, is material and in respect of which, the listed entity is required to make timely and adequate disclosures to the Stock Exchange(s). Regulation 30 of the Listing Regulations, 2015 deals with such events or information. Such events or information are divided into two parts as under:

- (1) The events specified in Para A of Part A of Schedule III, which are deemed to be material events and listed entity shall make disclosure of such events without application of guidelines for materiality; and
- (2) The events specified in Para B of Part A of Schedule III shall be disclosed based on application of the guidelines for materiality as specified in the sub-regulation (4).

The sub-regulation (4) further states that the listed entity shall frame a Policy for determination of Materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

## Objective of this policy:

The Board of Directors of the Company has adopted the Policy on Determination of Materiality of Events (“Policy”) in line with the requirements provided under the SEBI Listing Regulations as amended from time to time.

The objectives of the Policy are as follows:

- (a) To provide an overall governance framework for determination of materiality of events/information which require disclosure to the Stock Exchange(s);
- (b) To ensure that the Company complies with the disclosure obligations under the SEBI Listing Regulations and Circulars, Guidance issued thereunder ; and
- (c) To ensure that adequate and timely information is provided to investors to enable them to take informed investment decision.

## Reporting and disclosure:

Regulation 30 of SEBI (LODR) Regulations, 2015 have categorized material events and information which will have bearing on the performance / operations of the Company. The disclosures of events and information which the Company shall make to the Stock Exchange(s) as broadly categorized under these regulations are as under-

- Events in Category A Shall be disclosed to stock Exchanges without any application of the guidelines for materiality i.e. these are mandatory to be disclosed irrespective of the extent of happening of event.
- Events that have been provided in Category B shall be disclosed to Stock Exchanges upon application of the guidelines for materiality to be determined by the Authorised Key Managerial Personnel on the basis of criteria as mentioned in Regulation 30(4).



**Definition:**

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“Board of Directors” or “Board” means the Board of Directors of Puretrop Fruits Limited, as constituted from time to time.

“Company” means Puretrop Fruits Limited.

“Key Managerial Personnel” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“Material Subsidiary” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

“Policy” means this Policy on determination of Materiality of events and as may be amended from time to time.

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Any other term not defined herein shall have the meaning as described to such term in the SEBI Act, 1992 and the Regulations framed thereunder including but not limited to the SEBI Listing Regulations, Companies Act, 2013 and the Rules framed there under or the ISN on Reg 30, as amended from time to time.

**Guidelines for determining materiality of events or information:**

The listed entity shall consider the following criteria for determination of materiality of events

**Qualitative :**

- (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

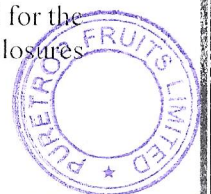
**Quantitative:**

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

(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 the listed entity, the event or information is considered material:

The board of directors of the listed entity 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.

**Disclosures of events or information:**

The Company shall ensure prompt disclosure of all material events to the Stock Exchanges as soon as reasonably possible but not later than the timelines prescribed under Regulation 30 (6) of SEBI Listing Regulations. The broad principle governing the timelines for disclosure of material event/ information to Stock Exchanges, is encapsulated in the table below:

<b>Material Event / Information</b>	<b>Statutory Timeline</b>
Event or information which pertains to a decision taken at the meeting of Board of Directors (if the Board Meeting concludes during normal trading hours)	within 30 minutes from the closure of relevant Board meeting
Event or information which pertains to a decision taken at the meeting of Board of Directors (if the Board Meeting concludes after normal trading hours but more than three hours before the beginning of the normal trading hours of the next trading day)	within 3 hours from the closure of relevant Board meeting
Event or information which emanates from within the Company	within 12 hours of occurrence of event or information
Event or information which does not emanate from within the Company	within 24 hours of occurrence of event or information
Event or information for which timelines have already been specified in Part A of Schedule III of SEBI Listing Regulations	within the respective timelines specified therein

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

**Amendment:**

The Company may review and revise this Policy from time to time. The Board of Directors of the Company shall have the right to review or amend this Policy from time to time so that the Policy remains complied with applicable legal requirements.

**SCHEDULE III**

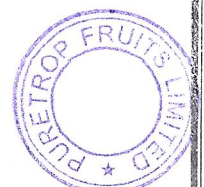
**PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES  
[ Regulation 30]**

**A. Events which shall be disclosed to stock exchange(s) 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. - 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 listed entity holds shares or voting rights aggregating to twenty 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 five per cent of the total shareholding or voting rights in the said company.
- (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.

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

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.

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.

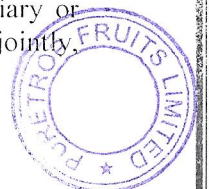
3. Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), the outcome of meetings of the board of directors, held to consider the following:

- a) dividends 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
- 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 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.

6. 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.

7. 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:

8. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior management, Auditor and Compliance Officer.

a. 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.

b. Resignation of independent director 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). 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 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 as specified in sub-clause (i) and (ii) above.

c. 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.

d. 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).

9. Appointment or discontinuation of Registrar to an Issue and Share Transfer Agent.

10. Resolution plan/Restructuring in relation to loans/borrowings from banks/financial institutions

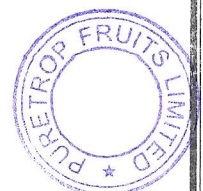
11. One time settlement with a bank.

12. Winding-up petition filed by any party / creditors.

13. 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.

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

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



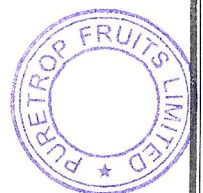
16. Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet)

17. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
  - (i) Pre and Post net-worth of the company;
  - (ii) Details of assets of the company post CIRP;
  - (iii) Details of securities continuing to be imposed on the companies' assets;
  - (iv) Other material liabilities imposed on the company;
  - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
  - (vi) Details of funds infused in the company, creditors paid-off;
  - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
  - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
  - (ix) Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
  - (x) Brief description of business strategy.
- m) Approval of resolution plan by the Tribunal or rejection, if applicable;
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS;
- p) The details as to the delisting plans, if any approved in the resolution plan.

18. Initiation of Forensic audit.

19. 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.



20. 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;

21. 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;

22. 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.

**B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

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 listed entity 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 listed entity
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 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.

