

Gemstone Investments Limited

Policy for Determination of Materiality

Introduction & Background:

This Policy for Determination of Materiality of any Events or Information (the "Policy") is aimed at providing guidelines to the Management of Gemstone Investments Limited (the "Company"), to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the stock exchanges.

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India ("SEBI"), under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors of the Company on __ December, 2015 approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

Statement of Philosophy:

The objectives of this Policy are as follows:

- i. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations.
- ii. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.
- iii. To ensure that to the best of the knowledge of the Management, the corporate documents and public statements are accurate and do not contain any misrepresentation.
- iv. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- v. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- vi. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

The policy is intended to ensure the determination of materiality of an event/information and reporting of transactions thereof. The policy regulates:

- The events prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The aspects for determining the materiality of the events/information;
- The procedure governing the disclosure of the events that are deemed to be material;
- The decisions pertaining to the instances when the material events have occurred and the time frame within which the information is to be disclosed.

Interpretation:

- a. "Company" means Gemstone Investments Limited;
- b. "Board" means the board of directors of Gemstone Investments Limited;
- c. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- d. "Policy" means this Policy on Determination of Materiality of events/information.
- e. "SEBI Circular" means the Circular issued by SEBI bearing Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015;
- f. "Schedule III" means Schedule III of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Words and expressions used in this code but not defined shall have the meaning as given in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Basic Criteria for determination of materiality of events/ 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;
- iii. In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an 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.
- iv. 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 would be disclosed as considered by the Board from time to time.

Disclosures of Events/Information:

The Company shall make timely disclosure of events which are material in nature in terms of this Policy to the stock exchange where the shares of the Company are listed. The events /information are broadly classified as:

- a. Events/information as mentioned in Part-I of this policy covers the aspects laid down in Para A of Part A of Schedule III read with Part A of the SEBI Circular shall be considered as material and the company is required to make mandatory disclosures to the Stock Exchanges as per Annexure 1 of the SEBI circular within the stipulated time period ;
- b. Events/information as mentioned in Part-II of this policy covers the aspects laid down in Para B of Part A of Schedule III read with Part A of the SEBI Circular are needed to be verified on the test of materiality. Based on the materiality guidelines, the Company shall make mandatory disclosure of such events and information as per Annexure 1 to the SEBI circular.

PART I: Events to be disclosed without any application of the guidelines for materiality

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 listed entity or any other restructuring.

Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean,-

- a) acquiring control, whether directly or indirectly; or,
 - b) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - 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;
 - 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.
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), 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 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. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, 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 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

PART II: Other Events that to be disclosed based upon the test of materiality

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 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. 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.

Process of Disclosures of Material Information:

In case any Functional Head becomes aware of any material event/information about the Company, then as per Schedule III, the said Functional Head shall inform the Compliance Officer of the Company.

If the said event/information is covered under Part-I of this Policy then the Compliance Officer shall take all requisite measures to disseminate the information to the Stock Exchanges within the stipulated time period.

If the said event/information is covered under Part-II of this Policy then the Compliance Officer and Chief Financial Officer of the Company would determine in consultation with the Board of Directors of the Company as the case may be, whether the said event/ information is required to be disclosed

to the Stock Exchange or not, in terms of the criteria laid down in this Policy read with the Listing Regulations.

Thereafter, the Compliance Officer will prepare the content of the disclosure and make the adequate disclosure of the said event/information to the stock exchange.

Time frame for Disclosures of Material Information:

Disclosure(s) as required under the Listing Regulations will be made within 30 minutes of the conclusion of the Board Meeting or within 24 hours from the time the event occurred or the officer(s) becomes aware of the event or information, as applicable. The Company will disclose all the material events or information concerning its affairs to the Stock Exchange within 24 hours of the conclusion of the meeting of both, the Board of Directors of the Company and the shareholders of the Company where the said event has been discussed or approved or the Board of Directors/ Members of the Company, as the case may be.

In certain unavoidable circumstances or for maintaining confidentiality for a limited period of time till the transactions gets finalized, 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 Compliance Officer of the Company.

Amendment:

This Policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Board. Any changes or modification on the Policy would be approved by the Board of Directors and the decision of the Board in this respect shall be final and binding.

Any subsequent modification and/or amendments brought about by SEBI in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 shall automatically apply to this Policy.
