



Logitrade Limited

**POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES**

**I. BACKGROUND AND APPLICABILITY OF THE POLICY**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company are material.

In this context, the following policy has been framed by the Board of Directors (“Board”) of Rajvi Logitrade Limited (“RLL”/ “Company”) with the objective of determining materiality of events.

**II. DEFINITION**

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

“**Board of Directors**” or “**Board**” means the Board of Directors of Rajvi Logitrade Limited, as constituted from time to time.

“**Company**” means Rajvi Logitrade Limited

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

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Material Events**” are those that are specified in Annexure II-A & Annexure II-B and provided in Para A of Part A of Schedule III to the Listing Regulations.

“**Policy**” means this Policy on criteria for determining Materiality of events or information 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.

“**Schedule**” means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.



### **III. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE:**

The Managing Director, Whole Time Director, Chief Financial Officer, Company Secretary will be the authorized Key Managerial Personnel (“KMP(s) / Authorized Officer(s)”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges. Any decision taken by them jointly or severally shall be valid and binding on the Company.

### **IV. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) (“Para A Events”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. The Company shall provide all details to the Stock Exchanges in compliance with the requirements of the SEBI (LODR) Regulations, 2015 Disclosure Circular, while disclosing Para A Events.

### **V. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:**

The Company shall disclose all such material events or information pertaining to itself, specified in Para B of Part A of Schedule III of the LODR Regulations (“Para B Events”) subject to application of guidelines for materiality, as set out under the LODR Regulations.

### **VI. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

The following are the criteria/ guidelines for determination of materiality of events/ information:

- I. All events/information stated in Para A of Part A of Schedule III to the Listing Regulations (as listed in Annexure I to this Policy) pertaining to itself, are deemed to be material.
- II. Quantitative Criteria

In respect of events / information stated in Table A, the Authorized Officer(s) shall consider the following criteria for determination of materiality of events/information:

- a. the omission of an event or information, which is likely to result in discontinuity or



- alteration of event or information already available in public domain; 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
  - c. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
    - 2% (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;
    - 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 the listed entity.
  - d. In case where the criteria specified in sub-clauses (a), (b) and (c) above 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.

### III. Qualitative Criteria:

In addition to above quantitative criteria the following Qualitative factors shall also be considered for determination of materiality of event/ information:

- Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
- Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
- Whether the event/ information is in the normal course of business or not; or
- Whether the event/ information represents a significant shift in strategy; or
- Any other factor which is pertinent in the opinion of Authorized Officer(s) of the Company.

## VII. DISCLOSURE PROCESS

An event or information, required to be disclosed in terms of this policy, or in terms of Regulation 30 of the Listing Regulations, shall be disclosed, as soon as reasonably possible and in any case not later than the following:

- i. 30 (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; or
- ii. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity; or
- iii. 24 (twenty-four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity

Without prejudice to the above, disclosure with respect to events for which timelines have



been specified in Part A of Schedule III of the Listing Regulations, shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified above of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

#### **VIII. DISCLOSURE ON WEBSITE**

The Company shall disclose on its website all such events or information which have been disclosed to stock exchange(s) and such disclosures shall be hosted on the website of the Company for a minimum period of five years.

#### **IX. AMENDMENTS TO THE POLICY**

The KMP authorised under this Policy will review shall have the power, subject to applicable laws, to amend, modify, substitute, or replace any provision(s) of this Policy or to replace the Policy in its entirety with a new policy. Provided that no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force. Further, this Policy shall not, in any manner, dilute or derogate from the requirements prescribed under Regulation 30 read with Schedule III of the LODR Regulations.

In the event of any conflict or inconsistency between the provisions of this Policy and the LODR Regulations, the provisions of the LODR Regulations shall prevail, and such conflicting provision(s) of this Policy shall be deemed severed to the extent of such inconsistency, without affecting the validity and enforceability of the remaining provisions of this Policy. This Policy shall be governed by and construed in accordance with the LODR Regulations.

Any statutory amendment(s), modification(s), or re-enactment(s) to the LODR Regulations shall automatically apply to this Policy and shall be deemed to form part of this Policy, without requiring any further approval or amendment.

## **Annexure I**

### **Material events/ information to be mandatorily disclosed to the stock exchange(s)**

Following is the List of events/information as specified under Para A of Part A of Schedule III of the Listing Regulations:

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 sub-clause (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 sub-clause (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.]

*Explanation (4) - For the purpose of this sub-paragraph, “unit” would mean ‘Subsidiary or Joint Venture’ ‘division’ would mean operating segment as per Ind-AS.*

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).

*Explanation: For the purpose of this events/information, the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or to any fixed deposit programme or to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad.*

*The above requirement to disclose rating shall also be applicable to the following:*

- a) Revision in rating even if it was not requested for by the listed entity or the request was later withdrawn by the listed entity.*
- b) Revision in rating outlook even without revision in rating score.*
- c) ESG ratings by registered ESG Rating Providers*

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 Company 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 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.

- (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(1): 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.

Explanation(2) - For the purpose of this sub-paragraph, Normal course of Business” shall mean all those transactions, events, and activities that satisfy the below attributes:

- i. The value of transaction or set of transactions that exceeds 10% of gross turnover as determined on the basis of audited the latest audited consolidated financial of the Company;
- ii. Transactions that are in consonance with current business operations of the Company;
- iii. The transactions are conducted on a frequent or recurring basis as a part of regular operations;

- iv. The terms of the transactions are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length

Note(1): Giving guarantees, security, letter of credit or any other thing, by whatever name called, to any entity other than wholly owned subsidiary/Subsidiary/associate company would not be considered as a normal course of Business.

Note(2): Entering into any non-compete arrangement which could disallow the listed entity to perform any business, would not be considered as normal course of business.

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:
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 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 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:
  - a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause a. 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 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 [at least two working days in advance (excluding the date of the intimation and the date of the meet)] and presentations on financial results made by the Company to analysts or institutional investors.
  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.
  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;
- v. 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 II

Following is the List of events / information to be disclosed to the stock exchange(s) based on Materiality guidelines:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

*Explanation- For the purpose of this sub-paragraph, "unit" would mean independent manufacturing facility set up for new business ; "division" would mean operating segment as defined under Ind-As.*

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.

*Explanation(1) : For orders and contracts referred above "Normal course of Business" shall mean all those transactions that satisfy the below attributes:*

- i. The value of transaction or set of transactions that exceeds 10% of gross turnover as determined on the basis of audited the latest audited consolidated financial of the Company;
  - ii. Transactions that are in consonance with current business operations of the Company;
  - iii. The transactions are conducted on a frequent or recurring basis as a part of regular operations;
  - iv. The terms of the transactions are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.
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.

*Explanation(1) : For orders and contracts referred above "Normal course of Business" shall mean all those transactions that satisfy the below attributes:*

- i. The value of transaction or set of transactions that exceeds 10% of gross turnover as determined on the basis of audited the latest audited consolidated financial of the Company;
- ii. Transactions that are in consonance with current business operations of the Company;
- iii. The transactions are conducted on a frequent or recurring basis as a part of regular operations;
- iv. The terms of the transactions are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length

*Note: Giving guarantees, security, letter of credit or any other thing, by whatever name called, to any entity other than wholly owned subsidiary/Subsidiary/associate company would not be considered as a normal course of Business.*

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.”

*Explanation: For the purpose of determination of material events/ information, the value or expected impact in terms of value for each event or transaction shall be compared with the quantitative threshold specified in this policy.*