

MAHINDRA LOGISTICS LIMITED

POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

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POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

1. INTRODUCTION

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time and the Circulars issued thereunder, require the Company to disclose material events or information.

The Listing Regulations have classified disclosure of material events/information, into the following categories:

- (i) Events which are considered to be **deemed material events**, and which need to be disclosed without application of the “materiality criteria”. These events are specified in Para A of Part A of Schedule III of Listing Regulations.
- (ii) Events which need to be disclosed based on the **application of the “materiality criteria”**. These events are specified in Para B of Part A of Schedule III of Listing Regulations.
- (iii) **Other events** as specified in Para C of Part A of Schedule III of Listing Regulations.

Without prejudice to the generality of the above, the Company may make disclosures of event/information as specified by SEBI from time to time.

The Listing Regulations also mandate the Company to frame a policy for determination of materiality, based on the criteria mentioned in the Listing Regulations, for disclosure of events mentioned in Para B of Part A of Schedule III of Listing Regulations, and hence the Board of Directors of the Company at its Meeting held on 25 September 2017 had adopted this Policy and framed “Indicative Guidelines” under the Policy effective 10 November 2017.

SEBI has also specified the information that needs to be provided whilst disclosing events/ information and the timelines for such disclosures, which are also covered in the “Indicative Guidelines” framed under this Policy. In case the Company does not disclose any such specified details as per the timelines, it shall state appropriate reason(s) for the same as part of the disclosure.

SEBI vide notifications dated 14 June 2023 and 12 December 2024, *inter alia* amended Regulation 30 and Schedule III of the Listing Regulations (“Amended Regulations”). Accordingly, this Policy is updated in accordance with the requirements of the Amended Regulations and other SEBI Circular(s) specified in this regard.

This Policy applies to disclosure of events or information which are material to the Company and does not dilute any requirement specified under the provisions of the Listing Regulations.

The effective date of the Policy was 1 December 2015 and the amendments made to this Policy are effective from the date the respective amendments were notified, except clause no 9 pertaining to market rumours which shall be effective from such date as may be specified by SEBI and applicable to the Company.

2. TITLE

This Policy shall be called 'Policy for determination of materiality for disclosure of events or information'.

3. AUTHORITY

The Board has constituted a Disclosure Committee comprising of certain Key Managerial Personnel of the Company as Members of such Committee and other senior functionaries as permanent invitees to the Disclosure Committee.

4. DECISION MAKING OF THE DISCLOSURE COMMITTEE

The Disclosure Committee members and the permanent invitees may meet physically or may interact through e-mails or any other means as the members of the Committee may deem fit.

5. ROLES AND RESPONSIBILITIES OF THE DISCLOSURE COMMITTEE

The Roles and Responsibilities of the Disclosure Committee shall include the following:

1. To ensure compliance with the disclosure requirements under Regulation 30 of the Listing Regulations and such other Circulars and notifications as may be specified by SEBI in this regard.
2. To take a view on the materiality of an event/ information or on the price sensitivity of an event/ information that qualifies for disclosure under Regulation 30 of the Listing Regulations;
3. To determine the appropriate time at which the disclosures are to be made to the stock exchanges which shall be in adherence to the requirements of Regulation 30 of the Listing Regulations;
4. To review and finalise the details to be disclosed including updating material developments on a regular basis till such event is closed/resolved with relevant explanation. The contents of the disclosure shall be in line with the Listing Regulations as may be amended from time to time and SEBI Circulars and notifications issued in this regard;
5. To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any Paras A, B and C of Part A of Schedule III of Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matter;
6. To determine materiality thresholds of events/information mentioned in Regulation 2(1)(n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which are likely to materially affect the price of the securities (constituting UPSI).
7. To evaluate the information submitted by the Relevant Employees of the Company (as defined in the Indicative Guidelines) about any potential material event or information and to determine if disclosure is required to be made to the Stock Exchanges.
8. To review the event or information requiring disclosure to the Stock Exchanges in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, unless disclosure of such communication is prohibited by such authority.
9. To make necessary amendment(s) to the Policy and Indicative Guidelines framed thereunder as may be required from time to time.

6. MATERIALITY CRITERIA OF THE EVENT OR INFORMATION

Materiality criteria shall have to be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information mentioned at Para B of Part A of Schedule III of Listing Regulations. In order to enable determining whether a particular event/information is material in nature, the Disclosure Committee shall consider the following criteria in accordance with the Listing Regulations as amended from time to time:

1. The omission of an event or information:
 - a) which is likely to result in **discontinuity or alteration of event or information already available publicly**; or
 - b) which is likely to result in **significant market reaction** if the said omission came to light at a later date; or
 - c) whose **value or the expected impact in terms of value, exceeds the lower** of the following:
 - (i) **2% of Turnover**, as per the last audited consolidated financial statements of the Company;
 - (ii) **2% of Net Worth**, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - (iii) **5% of the average of absolute value of profit or loss after tax**, as per the last three audited consolidated financial statements of the Company;

Note: 'Absolute value of profit or loss after tax' means absolute figures of profit/loss. The threshold with respect to profit/loss is to be computed by taking the absolute values of profit or loss after tax for the immediately preceding three audited consolidated financial statements of the Company. The averaging does not mean netting-off in this case where profits of Company in one year gets reduced due to the losses in other financial years, rather, the values are required to be taken on an absolute basis.

2. In case where the criteria specified in clauses (a), (b) and (c) are not applicable, an event/information may be treated as deemed material, if in the opinion of the Board of Directors of the Company, the event or information is considered material.
3. For determining materiality of an events, the Company may refer to the Industry Standard Note on Regulation 30 issued by the SEBI from time to time.

In respect of events or information pertaining to subsidiaries, the Disclosure Committee may consider the criteria mentioned above and the Indicative Guidelines prescribed by the Board, for determining materiality of such events or information vis-à-vis the Company.

The Committee may, from time to time, modify or amend existing Indicative Guidelines or specify new guidelines to ascertain materiality of events/ information in this regard.

7. TIMEFRAME FOR DISCLOSURE

In accordance with Amended Regulations, all events or information which are material shall be first disclosed to Stock Exchanges as soon as reasonably possible and in any case not later than the following:

- (i) **30 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;

Provided that in case the meeting of the Board of Directors closes after normal trading hours of that day **but more than three hours before the beginning of the normal trading hours** of the next trading day, the Company shall disclose the decision pertaining to the event or information, **within 3 hours from the closure of the Board Meeting.**

Provided further that in case the meeting of the Board of Directors is being held for more than 1 day, the financial results shall be disclosed **within 30 minutes or 3 hours, as applicable**, from closure of such meeting for the day on which it has been considered.

- (ii) **12 hours** from the occurrence of the event or information, in case the event or information is **emanating from within the Company;**

- (iii) **24 hours** from the occurrence of the event or information, in case the event or information is **not emanating from within the Company.**

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, **other than tax litigation or dispute**, in terms of subparagraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within 72 hours of receipt of the notice by the Company.

Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

The 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.

In case the Company discloses any event or information after the timelines specified under the Listing Regulations, it shall, along with such disclosure provide the explanation for the delay.

8. ASSISTANCE TO RELEVANT EMPLOYEES

Relevant employees shall be guided by this Policy and the Indicative Guidelines in identifying any potential material event/information, which comes to their knowledge and the same shall be reported to the Disclosure Committee for determining the materiality of the said event/information and making necessary disclosures to the Stock Exchange(s).

9. MARKET RUMOUR VERIFICATION

With effect from such other date as may be prescribed under the Listing Regulations, and as applicable to the Company, the Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of the Listing Regulations are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

Until then, the Company may on its own initiative also, confirm, deny or clarify any reported event or information to Stock Exchange(s).

10. DISCLOSURES ON WEBSITE

All events or information disclosed to the Stock Exchanges under Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a minimum period of 5 years or such other lower timeframe as may be prescribed for a specific event or information under the Listing Regulations.

11. AMENDMENTS

The Disclosure Committee is authorised to amend this Policy as may be required from time to time, subject to applicable laws.

12. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

13. DISSEMINATION OF POLICY

This Policy shall be hosted on the intra-net and website of the Company.