

VRL LOGISTICS LIMITED

POLICY FOR DISCLOSURE OF MATERIAL EVENTS

1. PREAMBLE:

The Policy is revised in light of recent amendment to Regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter called as “The Regulations”). Every listed Company shall frame a policy for determination of Materiality based on the criteria specified in the regulations. This policy *inter alia* provides for methodology for determining an event or information to be categorized as ‘Material’ which would then required to be intimated to Stock Exchanges where the equity shares of the Company are listed.

1.2 OBJECTIVE:

This policy is intended to ensure proper disclosure and reporting of events or material information as applicable, to the Stock Exchanges where the shares of our Company are listed. Provisions of this policy are designed to govern the disclosure and reporting requirements to ensure fairness and promptness in the reporting and disclosure of material events or information, as applicable, in spirit as well as in compliance with the applicable laws. The Board of Directors reserve the power to review and amend this policy from time to time.

This policy is framed as per requirement of Regulation 30 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. DEFINITIONS

- 2.1 Act: “Act” means the Companies Act, 2013 including any amendment or modification thereof.
- 2.2 Agreement: shall include shareholder agreement, joint venture agreement, family settlement agreement (to the extent the same impacts the management and control of the Company) and agreement, treaty or contract with media companies, which are binding and not in normal course of business and revision, amendment and termination thereof.
Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity, 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.
- 2.3 Board: Board means collective body of Directors of the Company
- 2.4 Company: “Company” means VRL Logistics Limited.
- 2.5 Compliance Officer shall mean the individual designated as such in the Company.
- 2.6 Director: “Director” means a person as defined in Section 2(34) of the Companies Act, 2013.
- 2.7 Employees: “Employees” shall mean the employees and office-bearers of the Company, including but not limited to Whole-time Directors

- 2.8. Key Managerial Personnel: “Key Managerial Personnel” shall mean
- (a) Managing Director of the Company
 - (b) Whole-time Director of the Company
 - (c) Chief Financial Officer (CFO) of the Company
 - (d) Company Secretary of the Company
 - (e) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board;
- 2.9 Material event or information: “Material event or information” shall mean any event or information as set out in the schedule or as may be determined in terms of clause 4 of the Policy and the word “material” and “materiality” shall be construed accordingly;
- 2.10 Officer: “Officer” shall have the meaning as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company;
- 2.11 Policy: “Policy” means this Policy for determining Materiality of events or information and as may be amended from time to time;
- 2.12 Promoter: “Promoter” means as assigned to the term in clause (oo) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 2.13 Regulations: “Regulations” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including any modifications, amendments, clarifications, circular or re-enactment thereof;
- 2.14 Securities: “Securities” means such securities as defined in section 2(h) of Securities Contracts (Regulation) Act, 1956;
- 2.15 Stock Exchange: “Stock Exchange” shall mean where the securities of the Company listed;
- 2.16 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Securities Contract Regulation Act or any related law or regulations.

3. DISCLOSURE OF EVENTS / INFORMATION

The Company shall make disclosure of any events or information to the stock exchanges on a timely basis as set out under

- i) Events or Information which shall be disclosed without any application of the guidelines for materiality as specified in Annexure-1.
- ii) Events or information as stated in Annexure-2 shall be disclosed based on the application of materiality as referred in Clause 4.
- iii) In case where the event occurs or an information becomes available with the Company, not covered under Sl. Nos. (i) and (ii) above, but which may have material effect, the Company shall make an adequate disclosures in regard thereof including 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 and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

4. CRITERIA FOR DETERMINATION OF MATERIAL EVENTS / INFORMATION

The company shall consider the following criteria for determination of materiality of an event or information:

- a. The event or information is in any manner unpublished price sensitive information;
- b. The omission of disclosure of such event or information shall lead to discontinuity or alteration of event or information already available publicly;
- c. The omission of disclosure of such event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- d. The omission of an event or information, 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;
 - 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;
- e. Any other event or information which is treated as being material in the opinion of the Board of Directors of the Company. For this purpose, the Board has designated any of the Key Managerial Personnel comprising of Executive Directors, Chief Financial Officer or Company Secretary of the Company to determine the materiality or otherwise of any event, occurrence or information.

5. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING THE COMPANY

All the shareholders, promoters, promoter group entities, related parties, directors, KMPs and employees of the Company or of its subsidiary (ies) and associate company (ies), who are parties to the agreements specified in clause 5A of Annexure-1 to this Policy, shall inform the Company about the agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.

6. TIME LIMIT FOR DISCLOSURE OF MATERIAL EVENT/INFORMATION

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this Policy and the regulations, 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;
- ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Annexure- 1 shall be made within such timelines.

7 AMENDMENTS TO THE POLICY

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE TEST OF 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) whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the listed entity or any other restructuring:

For the purpose of this sub-paragraph:

“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 5% 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) to this sub-paragraph and such change exceeds 2% 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.

“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.

“Undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.”

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);

4. Outcome of Board meeting:

- i) declaration of 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 or any other information pertaining to them;
- ii) Cancellation of dividend with reasons thereof;
- iii) Buyback of securities;
- iv) Fund raising proposed to be undertaken;
- v) Increase in capital by issue of bonus shares;
- vi) 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;
- vii) short particulars of any other alterations of capital, including calls;
- viii) financial results;
- ix) voluntary delisting from stock exchange(s).

Shall be disclosed to the stock exchanges within 30 minutes of the conclusion/closure of the Board meeting.

5. Shareholder agreement, joint venture agreement, family settlement agreement (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, KMPs, employees of the Company or of its subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or

alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company 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 Company or they are required to be disclosed in terms of any other provisions of these Regulations.

Explanation: For the purpose of above, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.

6. Fraud or defaults by the Company, its promoters, directors, KMPs, senior management or subsidiary or arrest of KMPs, senior management, promoters or directors of the Company, whether occurred within India or abroad;

For the purpose of this paragraph:

“Fraud” shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

“Default” shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.
- Default by a promoters, directors, KMPs, senior management personnel, subsidiary’s shall mean default which has or may have an impact on the listed entity.

7. Change in Directors, KMPs, Senior Management Personnel, Auditors and Compliance Officer;

7A In case of resignation of the statutory auditors of the Company, detailed reasons for resignation of statutory auditors, as given by the said statutory auditors, shall be disclosed by the Company to the stock exchanges as soon as possible **but not later than 24 hours** of receipt of such reasons from the statutory auditors.

7B In case of resignation of an independent director’s of the Company, **within 7 days from** the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

- i. The letter of resignation along with detailed reasons for the resignation as given by the said director's.
- ii. Names of listed entities in which the resigning director's holds directorships, indicating the category of directorship and membership of board committees, if any.
- iii. The independent director shall, along with the detailed reasons, also provide confirmation that there is no other material reasons other than those provided.
- iv. The confirmation as provided by the independent director's above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

7C In case of resignation of KMPs, senior management, Compliance Officer or director's other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the KMPs, senior management, Compliance Officer or director's shall be disclosed to the stock exchanges by the Company within 7 days from the date that such resignation comes into effect.

7D If company has two Executive Directors. In case both the Executive Directors remain indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 days in any rolling period of 90 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 the 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 the Company, in brief;
15. a) Schedule of analysts or institutional investors meet at least 2 working days in advance (excluding the date of the intimation and the date of the meet and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

- b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
 - i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
16. 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) Approval of resolution plan by the Tribunal or rejection, if applicable;
- 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 & 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, KMPs, 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) Any other material information not involving commercial secrets.
- 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.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company:

a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;

b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, KMP or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.

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 Company or its director’s, KMP’s, senior management, promoter’s or subsidiary, in relation to the Company, 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 Company or its directors, KMP, senior management, promoter or subsidiary, in relation to the Company, 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 company under section 131 of the Companies Act, 2013.

ANNEXURE – 2

Events which shall be disclosed upon application of test of materiality:

1. Commencement or any postponement in the date of commercial production or commercial operations of any unit/division other than in the ordinary course of business;
2. Any of the following events pertaining to the Company:
 - 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 new service launches;
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 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 Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever name 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