



CHARTERED LOGISTICS LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. BACKGROUND:

SEBI has vide its notification dated 2nd September, 2015 introduced SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which will be effective from 1st December, 2015.

As provided in Regulations 30(3) of the said Listing Regulations, the listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for Materiality as specified in Regulation 30(4). It further provides that the listed entity shall frame a policy for determination of materiality, based on criteria specified in Regulation 30(3), duly approved by its Board of Directors, which shall be disclosed on its website.

II. OBJECTIVE & SCOPE:

Chartered Logistics limited has adopted this Policy on Materiality of Events or information (the "Policy") to determine the materiality of events or information and top set forth the threshold against those Events or Information for disclosure to stock exchange in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Policy has been prepared in accordance with the applicable provisions of Listing Regulations and Companies Act 2013 and rules made thereunder. Any subsequent amendment/ modification in the applicable statutes in this regards shall automatically apply to this Policy. This Policy describes, inter alia, the illustrative list of events or information which are considered to be material as per the Regulations and/ or in the opinion of Board. The Board vide this Policy has attempted to prescribe guidance for deciding the magnitude of the materiality of events and information.

The Policy shall be effective from 1st December, 2015. This policy shall be put on the website of the company.

III. DEFINITIONS AND INTERPRETATIONS:

In this policy, unless the context otherwise requires:

- a) "Act" Means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or enactment thereof.
- b) "Board" shall mean the Board of Directors of Chartered Logistics Limited
- c) "Company" shall mean Chartered Logistics Limited
- d) "Committee" means any committee formed under the delegated authority of the Board.
- e) "Events or Information" means events or information as prescribed under Para B of Part A of Schedule III to the Listing Regulations.
- f) "Key Managerial Personnel", if any, in relation to a Company, means
 - i. the Chairman;
 - ii. the Vice Chairman;
 - iii. the Managing Director;



- iv. the Whole- time Director;
 - v. the Chief Financial Officer;
 - vi. the Company Secretary;
- g) "Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, amendments, clarifications, circulars or enactment thereof.
- h) "Net worth" means net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013.
- i) "Paid-up share capital" or "share capital paid-up" mean such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called;
- j) "Other Information" means prescribed under Para C of Part A of Schedule III to the Listing Regulations.
- k) "SEBI Regulations" would include all the acts, regulations, circular, notification, etc. issued by the Securities Exchange Board of India from time to time.
- l) "Stock Exchange" means a recognised stock exchange as defined under clause (f) of Section 2 of the Securities Contract (Regulation) Act, 1956 on which Equity shares of the Company are listed.
- m) "Material Subsidiary" shall mean a Subsidiary, whose income or net worth exceeds twenty per cent of the consolidated income or net worth respectively, of Chartered Logistics Limited and its subsidiaries in the immediately preceding accounting year.
- n) "Turnover" as defined under Section 2(91) of the Act means aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Any word used in this policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation/ law applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act/Listing Agreement, the latter shall apply.

IV. DISCLOSURES OF EVENTS OR INFORMATION:

This policy set forth the guidelines for disclosure of material events or information.

1. Category A-Events or Information

Category A refers to such events or information which are deemed to be material events or information without application of materiality test. The indicative list of such events or information is given as an **Annexure I**.

2. Category B- Events or Information

Category B refers to such events or information which are proved to be material on the application of materiality test. For determining materiality of events, the following criteria shall be applied:

- i. Omission of which is likely to result in discontinuity or alteration of event or information already available publicly,



- ii. Omission of which is likely to result in significant market reaction if the said omission came light at a later date, or
- iii. Which are in the opinion of the Board of Directors or any Committee thereof or any other person authorised for the purpose considered to be material.

The indicative list of such events or information is given as an **Annexure II**.

However list of events or information given in Annexure I & II are indicative and not exhaustive and the necessity or obligation to make the requisite disclosure depends upon magnitude of impact of such events or information and on the facts of each case. Any event or information is considered material in accordance with the policy shall also be disclosed even if it is not specially listed in Annexure I or Annexure II of the Policy.

V. PRINCIPLES FOR DETERMINING OF MATERIALITY OF EVENTS:

Determination of Materiality: (Materiality test)

- a) Materiality will be determined on case to case basis depending on nature of the events, specific facts, magnitude of likely impact in case such event is omitted to be disclosed and the circumstances relating to the information or event. To determine whether a particular event or information is material in nature, the company may either consider the qualitative criteria as defined under clause IV(2) or
- b) Quantitative criteria defined under clause VI.

For each event listed under Annexure II

VI. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION:

Keeping in view the criteria for determination of materiality of Events or Information as mentioned in Clause IV above, materiality threshold has been defined as follows for Events or Information specified in Para B of Part A of Schedule III to the Listing Regulations:

Such Events or Information shall be considered material:

- where the value involved in it exceeds 10% of the gross turnover or total revenue or total income or net worth
- OR
- Where the impact of it exceeds 5% of the gross turnover or total revenue or total income or net worth;

The above threshold shall be determined on the basis of audited financial statements of the last audited financial year

VII. GENERAL:

- 1) Anyone of, Managing Director or the Chief Financial Officer of the Company is severally authorised to take a view on whether the Events or Information falls within the materiality threshold as mentioned under Clause VI of this Policy, which qualifies for disclosure under Regulation 30(5) of the Listing Regulations and intimate to the Company Secretary to disclose the said event or information to the Stock Exchange(s). The Contact Details of the Managing Director and Chief Financial Officer shall also be disclosed to the Stock Exchange(s) as well as on the website of the Company.
- 2) The Company shall disclose all the material events/information first to Stock Exchange(s) and upload the disclosure on the website of the Company as soon as reasonably possible and not later than twenty four hours from the occurrences of event or information. Provided that in case the disclosure is made after twenty four



hour from the occurrences of event or information, the Company shall provide reasons of delay along with the disclosure.

- 3) The information disclosed to the Stock Exchange(s) shall be also placed on the website of the Company and the Company shall ensure that such information is hosted for a minimum period of 5 years. Thereafter the information may be handled as per the archival policy of the Company disclosed on its website.
- 4) The Company shall disclose all events or information which are material for the Company with respect to its material subsidiaries in accordance with this policy.
- 5) The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange with respect to any event or information.
- 6) The Company shall also on its own initiative, confirm or deny any reported event or information to the Stock Exchange(s).
- 7) The material events or information which are not contained in the Policy but are considered to be material in opinion of the Company shall also to be disclosed to the Stock Exchange(s).

VIII. AMENDMENT:

- 1) The Board or Management Committee so authorised for the purpose shall have the powers to review or amend any of the provisions of this Policy, substitute any of the provisions with a new provisions or replace this Policy entirely with a new Policy.
- 2) The Board or Management Committee so authorised for the purpose may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

IX. CONTACT DETAILS OF THE KEY MANAGERIAL PERSONNEL:

Pursuant to Regulation 30(5), the contact details of the Key Managerial Personnel authorised for the purpose of determining the materiality of event or information are as under:

- 1) MR. Lalit Kumar Gandhi- Managing Director
E-mail: cs@chartered.co.in
Phone: 079-26891752
- 2) Ms. Mamta S. Patel- Chief Financial Officer
E-mail: cs@chartered.co.in
Phone: 079-26891752



ANNEXURE-I

Indicative List of events or information deemed to be material without application of Materiality test:

Sr. No.	Events or information
1.	<p>Acquisition (including agreement to acquire), Scheme of Amalgamation (amalgamation/merger/ demerger/restructuring), Sale or disposal of unit(s) or division(s) or subsidiary of the Company or any other restructuring:</p> <p>Explanation- 'Acquisition' shall mean,-</p> <ul style="list-style-type: none"> 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- <ul style="list-style-type: none"> a) the Company 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 and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2.	<p>Issuance or forfeiture of securities, split or consolidation of shares , buy back of securities, any restriction or transferability of securities, any action, which will result in alteration of the terms or structure of any existing securities, including, forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities, etc.</p>
3.	<p>Revision in Rating(s).</p>
4.	<p>Outcome of meetings of the Board within 30 minutes of the closure of the meeting held to consider the following:</p> <ul style="list-style-type: none"> • 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; • any cancellation of dividend with reasons thereof; • the decision on buyback of securities; • the decision with respect to fund raising proposed to be undertaken; • increase in capital by issue of bonus share through capitalization including the date on which such bonus shares would be credited/dispatched; • 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; • short particulars of any other alterations of capital, including calls; • financial results; • decision or voluntary delisting by from Stock Exchange(s)
5.	<p>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.</p>
6.	<p>Fraud/ Defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter:</p> <ul style="list-style-type: none"> • At the time of unearthing of fraud or occurrence of the default/ arrest • Subsequently intimate the Stock Exchange(s) further details regarding the fraud/default/arrest.
7.	<p>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance</p>



	Officer.
8.	Appointment or discontinuation of share transfer agent.
9.	Corporate debt restructuring ("CDR").
10.	One time Settlement (OTS) 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 Company.
13.	Proceedings of annual and extraordinary general meetings.
14.	Amendments to memorandum and articles of association.
15.	Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analyst or institutional investors.



ANNEXURE-II

Indicative List of events or information on which Company may apply materiality test:

Sr. No.	Events or Information
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 <ul style="list-style-type: none">• Arrangements for strategic, technical, manufacturing, or marketing tie-up• Adoption of new line(s) of business in case of entering into new industry• Closure of operations of any unit/division(entirely 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, revision(s) or amendment(s) and termination(s) thereof.
6.	Disruption of operation 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.	Litigation(s)/ dispute(s) / regulatory action(s) with impact.
9.	Fraud(s)/ default(s) by directors (other than key managerial personnel) or employees of the Company.
10.	Options to purchase securities including any ESOP/ESPS Scheme.
11.	Giving of guarantees or indemnity or becoming a surety for any third party other than group or associate companies.
12.	Granting, withdrawal, surrender, cancellation or suspension or key licenses or regulatory approvals.
13.	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.