

MATERIALITY POLICY

Introduction

This document has been formulated to define the materiality policy for the identification of (i) outstanding material litigation involving Landmark Cars Limited (the “**Company**”), its Subsidiaries, Directors, and Promoter; (ii) the Group Companies; and (iii) the material creditors of the Company (together, the “**Policy**”), in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”).

This Policy shall be effective from the date of its approval by the Board of Directors.

In this Policy, the term “**Offer Documents**” shall mean the draft red herring prospectus, the updated draft red herring prospectus, the red herring prospectus, the prospectus and any addendum or corrigendum thereto to be filed and/or submitted by the Company, in connection with the proposed initial public offering of its equity shares, with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad and the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

I. Materiality policy for litigation

In terms of SEBI ICDR Regulations, the Company is required to disclose the following outstanding litigation involving itself, its Subsidiaries, its Directors and its Promoter:

- (i) All criminal proceedings;
- (ii) All actions by statutory and / or regulatory authorities;
- (iii) Claims related to direct and indirect taxes, in a consolidated manner giving details of the total number of cases and total amount involved; and
- (iv) Other litigations/arbitration proceedings - as per the policy of materiality defined by the Board of Directors and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose:(a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against the Promoter, including outstanding actions in this regard, in the five financial years preceding the relevant Offer Document; and (b) outstanding litigation involving the Group Companies, the outcome of which may have a material impact on the Company, as applicable.

For the purposes of determining the material litigations /arbitration proceedings as mentioned in point (iv) above, the following criteria shall apply:

Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving the Company, its Subsidiaries, its Promoter and its Directors (the “**Relevant Parties**”) shall be considered as “material” for the purposes of disclosure in the Offer Documents, if:

- (i) The aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such pending litigation / arbitration proceeding is equal to or in excess of 2% of the Company’s consolidated profit after tax for the most recently completed fiscal year, as per the restated consolidated financial statements of the Company disclosed in the relevant Offer Document (“**Restated Consolidated Financial Statements**”); or

- (ii) any such litigation wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.

Further, pre-litigation notices received by the Relevant Parties or Group Companies from third parties (excluding those notices issued by statutory or regulatory authorities or notices threatening criminal action) shall, unless otherwise decided by the Board of Directors, not be considered “material” until such time that the Relevant Party or Group Company is impleaded as a defendant in proceedings before any judicial / arbitral forum.

II. Materiality policy for Group Companies

In terms of the SEBI ICDR Regulations, the term ‘group companies’ includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed in the relevant Offer Document, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the Board of Directors.

Accordingly, for (i) above, all such companies (other than the Subsidiaries) with which there were related party transactions during the period covered in the Restated Consolidated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies.

In addition, for the purposes of (ii) above, a company (other than the Subsidiaries and the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Statements) shall be considered “material” and will be disclosed as a ‘Group Company’ in the Offer Documents if:

- (a) such company is a member of the Promoter Group with which there were one or more transactions during the most recently completed fiscal year or the most recent period disclosed in the Restated Consolidated Financial Statements, which individually or cumulatively in value exceeds 10% of the total consolidated total income of the Company for the last fiscal year as per the Restated Consolidated Financial Statements; or
- (b) such company is considered to be a Group Company by the Board of Directors.

Information about Group Companies identified based on the above approach shall be disclosed in the Offer Documents in accordance with SEBI ICDR Regulations.

III. Materiality policy for identification of material creditors

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Offer Documents for outstanding dues to creditors:

- (i) based on the policy on materiality adopted by the Board of Directors and as disclosed in the Offer Documents, details of the Company’s creditors, including the consolidated number of creditors and the aggregate amount involved; and
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and

other creditors, separately giving details of number of cases and amount involved.

For the purposes of identification of material creditors, in terms of point (i) above, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents, if amounts due to such creditor is equal to or in excess of 5% of the consolidated trade payables of the Company as at the end of the latest period included in the Restated Consolidated Financial Statements.

Additionally, complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor (as per (i) above) shall be disclosed on the website of the Company with the relevant web link included in the Offer Documents, as applicable.

General

It is clarified that the Policy has been prepared solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.