



AARVI ENCON LIMITED
CIN: L29290MH1987PLC045499

POLICY FOR DETERMINATION OF MATERIAL EVENTS*

1. Introduction

Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') requires every listed entity to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges.

Accordingly, Aarvi Encon Limited ("the Company") herein sets out a policy for determination of materiality of events and information and disclosure thereof.

2. Scope and Exclusions

This Policy is applicable to Aarvi Encon Limited.

3. Definition

- a. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **"Board"** means the Board of Directors of the Company.
- c. **"Key Managerial Personnel"** mean key managerial personnel as defined under sub-section (51) of Section 2 of the Companies Act, 2013.
- d. **"Policy"** means this Policy, as amended from time to time.
- e. **"SEBI"** means the Securities and Exchange Board of India.
- f. **"Rules"** means the rules made under the Companies Act, 2013.
- g. **"Stock Exchange(s)"** means the National Stock Exchange of India Limited, where the Equity Shares of the Company are listed.

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Regulations, and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder, or any other Act and/or applicable laws or any statutory modification or re-enactment thereto, as the case may be.

4. Policy

Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the Company shall consider the criteria(s) mentioned below.



- a. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; 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:
 - two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - two percent 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;
 - 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 Company;
- c. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Board, the event or information is considered material.

5. Type of Information

The information covered by this Policy shall include “information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the Regulations will be disclosed based on application of materiality criteria.

6. 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 Regulation 30 of the Regulations (as applicable from time to time) without any application of the guidelines for materiality.

7. Events which are dependent on application of guidelines for materiality

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Regulations subject to application of guidelines for materiality.

8. Guidance on occurrence of event / availability of information

The timing of occurrence of an event and/or availability of information has to be decided on



a case to case basis.

In case of natural calamities, disruptions etc. the events/ information can be said to have occurred when the Company becomes aware of the information.

In matters which would depend on the stage of discussion, negotiation or approval, the events/information can be said to have occurred upon receipt of approval by the Board of Directors or after receipt of approval of the Board of Directors and shareholders, as the case may be.

9. Implementation

To give effect to the requirements under the Regulations, the Board has authorized the Managing Director, Chief Financial Officer and the Company Secretary to determine jointly the materiality of an event / information and disclose the same to the stock exchanges.

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Persons should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman before disclosing the information to the Stock Exchange.

In any of the employee of the Company becomes aware of any material event as per the guidelines specified in this Policy, the employee shall ensure immediately intimating the same to the persons authorized above.

10. Disclosure

- a. The disclosures in respect of events and information specified in sub-para 4 of Para A of Part A of Schedule III of Regulations shall be made within the prescribed time as mentioned in Regulations.
- b. All other events and information falling under Part A of Schedule III of Regulations apart from those specified in (a) above shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than the following:
 - i. 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;

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 three 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 one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

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

- ii. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- iii. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Note: Timelines mentioned in (ii) and (iii) above shall be read in conjunction with circulars issued by SEBI from time-to-time in this regard.

The Company shall disclose 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 sub-paragraph 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 seventy-two hours of receipt of the notice by the Company.

The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

In case the disclosure is made after the timelines as mentioned above with the, the Company shall, along with such disclosure provide the explanation for the delay.

The Company shall also disclose all such events or information with respect to subsidiaries which are material for the company.

The Company shall also make disclosure of events / information as may be specified by the Securities and Exchange Board of India from time to time.

11. Amendments:

The Board of Directors as per the recommendations of Audit Committee can amend this policy, as and when deemed fit. Any or all provisions of this Policy would be subject to review/revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. 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 under 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.

12. Dissemination of Policy:

This Policy shall be hosted on the website of the Company at www.aarviencon.com.

***Note:**

1. *Approved by the Board of Directors at their meeting held on 14th November, 2017.*
2. *Amended and approved by the Board of Directors at their meeting held on 8th February, 2025*