

## AVRO INDIA LIMITED

### POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

#### 1. Legal Framework

This Policy for Determination of Materiality of Events or Information (the "Policy") is aimed at providing guidelines to the Management of Avro India Limited (the "Company"), to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the stock exchanges.

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India ("SEBI"), under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors of the Company in its meeting held on Wednesday, April 04, 2018 approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

This Policy will be applicable to the Company with effect from the date of listing of Shares with recognised Stock Exchange.

#### 2. Objective

The objective of this Policy is to serve as a guiding charter to the Management to ensure timely and adequate disclosure of events or information are made to the investor community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company.

#### 3. Definitions

**"Audit Committee"** means the Audit Committee as constituted from time to time by the Board of Directors of the Company.

**"Board of Directors"** means the Board of Directors of Avro India Limited as constituted from time to time.

**"Company"** means Avro India Limited

**"Key Managerial Personnel" (KMP)** means and includes Chairman, Managing Director, Whole Time Directors, Chief Financial officer ( CFO) Company Secretary of the Company in accordance with Section 2(51) of the Companies Act, 2013 who may be authorized (jointly and/or severally) to determine the material events or

information for disclosing to Stock Exchanges from time to time and for making disclosing to Stock Exchanges under the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Policy”** shall mean this Policy for determining materiality of events/information for disclosure to Stock Exchanges and as amended from time to time.

#### **4. Applicability**

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- i. The Company shall make disclosure of events specified in Para A of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, without applying any test of materiality to the stock exchanges within specified timelines.
- ii. The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, based on application of the criteria for determination materiality as specified in para 4 of the Regulation (30).
- iii. 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 shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.
- iv. The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors, is material. In case where an event occurs or information is available with the company, which has not been indicated in sub-para i, ii and iii above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

#### **6. Criteria for determination of materiality of events / information**

The Company shall consider the following criteria for determination of materiality of event /Information as stated in sub-para ii and iii above:-

- 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:

- (1) Two percent of turnover, as per last audited consolidated financial statements of the Company;
- (2) 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;
- (3) 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;

d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered material.

## **7. Disclosure of material events / 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 regulation as soon as reasonably possible and in any case 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;
- (ii) Twelve hours from the occurrence of the event of 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.

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the Company shall along with such disclosure provide the explanation for delay.

## **8. Disclosure of Agreements binding Companies**

- 1) All the shareholders, promoters, promoter group companies, related parties, directors, key managerial personnel and employees of a Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of Para A of part A of Schedule III to these regulations, shall inform the Company about the agreement to which such a Company is not a party within two working days of entering into such agreements or signing an agreement to enter such agreements:

Provided that for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, the parties to the agreements shall inform the Company, about the agreement to which such a Company is not a party

and the Company shall in turn disclose all such subsisting agreements to the stock exchanges and on its website within the timelines as specified by the Board.

- 2) The Company shall disclose the number of agreements that subsist as on the date of notification of clause 5A to para A of Part A of schedule III, their salient features, including the link to the webpage where the complete details of such agreements are available, in the Annual Report for the financial year 2022-23 or for the financial year 2023-24.

## **9. Authorization for disclosures**

The Board has authorised one or more Key Managerial Personnel to determine materiality of an event/information and to make disclosures to stock exchanges. The contact details of such Key Managerial Personnel have been disclosed on Company's website.

## **10. Policy Review**

The Authorized Person may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail. Any amendments to the Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

## **11. Disclosure on the website of the Company**

All such events or information which has been disclosed to stock exchanges under the Listing Regulations shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five years. The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

## **12. Contact Details**

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and updating this Policy.

Company Secretary and Compliance Officer  
AVRO India Limited  
Add: A-7/36-39, South of G.T Road Industrial Area, Electrosteel Casting Compound,  
Ghaziabad, Uttar Pradesh-201009  
Telephone: 0120-4376091  
Email: cs@avrofurniture.com

## **13. Amendment**

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.

In case of any amendments(s), clarification(s), circulars(s) etc, issues by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circulars(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), clarifications(s), circular(s) etc.