POLICY FOR DETERMINATION OF MATERIALITY

Approved by the Board on 11 of December, 2023

1. Background

AVP INFRACON LIMITED ("the **Company**") is committed to being open and transparent with all stakeholders and believes in disseminating information in a fair and timely manner.

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "LODR"), mandates disclosure of any events or information which, in the opinion of the board of directors ("Board") of the Company is material.

Regulation 30(4) of the LODR 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, the Board of the Company herein sets out a policy for determination of materiality of events and information and disclosure (hereinafter referred to the "**Policy**") so that such events / information can be promptly disclosed to the stock exchanges, in line with the applicable regulatory requirements.

This Policy is effective from the date of listing of securities of the Company.

2. Objectives of the Policy

The objectives of this Policy are as follows:

a) To ensure that the Company complies with the disclosure obligations of a listed company laid down by the LODR, various securities laws and any other applicable laws (in India and overseas);
b) To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information;
c) To ensure that to the best of the knowledge of the management, the corporate documents and public statements are accurate and do not contain any misrepresentation;
d) To protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations;
e) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company; and
f) To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

3. Policy Details

3.1 Criteria for determination of Materiality

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) If in the opinion of the Board of Directors, the event / information is considered material.

An illustrative list of events / information which shall be disclosed to the stock exchanges on application of guidelines of materiality given above is specified in Para B of Part A of Schedule III of the Listing Regulations. The events / information which shall be disclosed without application of materiality guidelines listed in this Policy as these are "deemed" to be material events, is specified in Para A of Part A of Schedule III of the Listing Regulations

3.2 Guidance on occurrence of event / availability of information

i. The timing of occurrence of an event and/or availability of information has to be decided on a case to case basis.

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

iii. 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.

3.3 Disclosure

i. Disclosure of events enumerated in item number 4 of Para A of Part A of Schedule III of the Listing Regulations relating to "Outcome of meetings of the Board of Directors" shall be made within thirty minutes of the closure of the Board Meeting at which such events were considered or discussed.

ii. All other events mentioned in Part A of Schedule III shall be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information. The Company shall explain to the Stock Exchanges any delay in such disclosure beyond twenty four hours of the occurrence of the event or information.

iii. The disclosure of events/information of price sensitive nature (such as decision on declaration of dividend) shall be made on receipt of approval of the event by the Board of Directors pending the shareholder's approval.

iv. The Company shall ensure that the updated disclosure with respect to the material event / information is made to the stock exchanges on a regular basis till such time the event / information is resolved / closed, with relevant explanation.

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

vi. It is clarified that as regard any event / information, only such impact which is direct and perceivable, and not remote, shall be considered.

vii. In addition to the above, the Company may make voluntary disclosures of events/information, as may be specified by the Board or by SEBI from time to time.

viii. The Company shall disclose on its website all such events or information which has been disclosed to the relevant stock exchange under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per its Archival Policy.

ix. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, then the Company shall make adequate disclosures in regard thereof

4. Person(s) Responsible for Disclosure

The Key Managerial Personnel consisting of the Managing Director, the Whole-time Director, the Chief Financial Officer and the Company Secretary of the Company (**Designated Officers**) is authorized for the purposes of determining materiality of particular event / information based on application of the guidelines for materiality, as specified in para 3.1 and making disclosures to the stock exchanges under this Policy. The Designated Officer shall take care to ensure that they are reasonably satisfied that any event/information being disclosed is true and correct and does not contain any misrepresentations..

The Designated Officer(s) shall have the following powers and responsibilities for determining the material events or information:

a) To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
b) To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
c) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
d) To consider such other events or information that may require disclosure to be made to the stock

exchanges which are not explicitly defined in the LODR and determine the materiality, appropriate time, and contents of disclosure for such matters.

e) To disclose all events or information with respect to the subsidiaries which are material for the Company.

Obligations of Internal Stakeholders and Authorized Person for disclosure

a) Any event or information, including the information forming part of Para 3 of the Policy shall be forthwith informed to the Designated Officer(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
b) The Designated Officer will then ascertain the materiality of such event(s) or information based on the above guidelines.
c) On completion of the assessment, the Designated Officer shall, if required, make appropriate disclosure(s) to the stock exchanges.

Policy Review

The Company may review the Policy from time to time and any material changes to the Policy shall be subject to the approval of the Board. In case of any inconsistency between the terms of the Policy and the LODR, the provisions of the LODR shall prevail.

Any amendments to the provisions in LODR in relation to the Policy which requires any changes in the Policy shall get automatically incorporated in the Policy as if the same were part of the Policy and shall not require any formal approval.

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

Website

The Policy shall be disclosed on the website of the Company.