



# **ANIRIT VENTURES LIMITED**

*(formerly Flora Textiles Limited)*

## **Policy for determination of materiality of events/information**

## 1. Introduction

This Policy is prepared in accordance with the requirements of the provisions of Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") for determination of materiality of events/ information in order to enable the Company to broadly classify, categorize and promptly disclose to the stock exchanges material events/information, in accordance with the Regulations.

This Policy may be amended at any time by the Board of Directors of the Company and is subject to further guidance from SEBI or amendments to or re-enactment of Regulations.

## 2. Objective

The Company believes in principles of fair disclosure and transparency and recognizes that timely disclosure of relevant information to the shareholders of the Company is important to protect the interests of shareholders of the Company. Non-compliance with the principles of disclosure and transparency can present potential risks to Company including by way of loss of shareholder confidence, non-compliance risks of the various regulations to the Company and may raise questions about the governance practices in the Company.

This policy on the determination of materiality of events/ Information, as required under 30(4)(ii) of the Regulation is laid down to express the policy of the Company for identification/ determination of material events /information which require prompt disclosure to the Stock Exchanges in accordance with the Regulations.

## 3. Scope

The principles and obligations outlined in this Policy apply to all the Key Managerial Personnel and members of the Board of Directors of AVL and its subsidiary companies, if any.

It is the responsibility of Board Members and Key Managerial Personnel to identify, understand and strictly adhere to the obligations under the policy.

## 4. Definitions and Abbreviations

4.1 "**Board/ Board of Directors**" means the Board of Directors of the Company.

4.2 "**Companies Act**" means The Companies Act, 2013.

4.3 "**Company**" or "**the Company**" means Anirit Ventures Limited.

4.4 "**Key Managerial Personnel**" means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

4.5 "**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 5. Responsibilities

The Board of Directors shall be responsible for developing a process for effective dissemination and implementation of this policy.

The Key Managerial Personnel(s) shall be responsible for compliance with the policy.

## 6. Relevant Regulations

6.1 Schedule III of the Listing Regulations prescribe a list of events which are deemed to be material events and are required to be disclosed by the Company promptly to the shareholders through the stock exchange by the Company within the prescribed time.

6.2 Schedule III Part A Clause (A) and (B) of the Listing Regulations specifies the list of events which may or may not be material to the Company and for which the Company has to apply the guidelines for materiality as specified in Regulation 30(4) in order to determine whether the event is material.

6.3 Regulation 30(4) reads as follows:

“(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:

- (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;
- (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (i) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - (ii) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
  - (iii) 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 listed entity;]
- (d) in case where the criteria specified in sub- clauses (a) (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event/information is considered material.

- (ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.”

6.4 Chapter II, Regulation 4(3) of the Listing Regulations specifies that in the event of any conflict between the principles specified in the regulation and relevant Listing Regulation, principles provided in Regulation 4(3) shall prevail.

“Chapter II, Regulation 4(3),

(3) In case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in this Chapter shall prevail.”

## 7. Statement of Policy

The Company through this policy intends to determine whether an event or information is material or not in the following manner;

- Step 1: Classifying the information or event as (i) Having an immediate or likely monetary impact (“**Monetary Events/ Information**”) or (ii) Not having any immediate or likely monetary impact (“**Non-monetary Events /Information**”).
- Step 2: For **Monetary Events/Information** if the total monetary impact of the event/information on either the assets, liabilities, expenses or turnover of the Company during the current financial year, exceeds; **10% (ten percent) of the annual consolidated revenues or 10% (ten percent) of the consolidated net worth, whichever is lower**, of the audited financial statements of the Company of the previous financial year, then such event shall be classified as material event and shall be promptly, within 24 hours, disclosed to the stock exchanges and shall be simultaneously updated on the website of the Company.
- Step 3: In case of event/information having monetary impact classified as material event in Step 2 above, if the event/ information relates to announcement of a Contract/ Letter of Intent (“LOI”)/ Letter of Award (“LOA”) entered into by the Company disclosure to the stock exchanges and updating on the website of the Company shall be **(i) pursuant to receipt of LOI/LOA which is binding in nature and accepted by the Company, if the Company commits some resources or incurs any cost thereunder; or (ii) signing of contract, whichever is earlier.**
- Step 4: For **Non-Monetary Events/Information** that, i) have a bearing on the performance/operation of the Company or ii) which is considered to be unpublished price sensitive information [as per the SEBI (Prohibition of Insider Trading) Regulations, 2015] or iii) may affect payment of interest or dividend on non-convertible preference shares/ debentures or redemption of non-convertible debt securities or redeemable preference shares or repayment of secured/unsecured borrowings, if any, of the Company shall be evaluated by the Authorised KMPs for disclosure. The Authorised KMPs shall evaluate the information based on the criteria as provided in regulation 30(4).

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

Nothing in this Policy is intended to restrict the Company from voluntarily disclosing any additional information and the Authorised KMPs are severally authorised to disclose additional information as may be considered important by the Authorised KMPs for disclosure to the shareholders in compliance with the 'Principles governing disclosure obligation' under chapter II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**8. Implementation, monitoring and modification of the Policy**

- 8.1 The Whole-time Director, CEO, Chief Financial Officer and the Company Secretary ("Authorised KMPs") of the Company are jointly and/or severally authorized by the Board to decide whether any event or information is material and for the purposes of making disclosures to the stock exchanges and on the website of the Company.
- 8.2 The Compliance Officer or any officer of the Company authorised by any of the Authorised KMPs in addition to such KMPs may sign the disclosures to be sent to the Stock Exchanges and upload on the website for the purposes of fulfilling the obligations under the Regulations.
- 8.3 The Board may amend or modify this Policy in whole or in part, at any time.

**9. Reference document (s)**

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

**10. Associated Document (s)**

None

**11. Annexures**

None

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