



Aarvi Encon Limited

CIN : L29290MH1987PLC045499

(ISO 9001 & 14001 & ISO 45001)

Regd. Office : B1- 603, 6th Floor, Marathon Innova,
Marathon Nextgen Complex, Opp. Peninsula Park,
Lower Parel, Mumbai - 400 013, India.



AEL/NSE/2024-25/31

Date: February 08, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Kind Attention: Head - Listing
Symbol: AARVI

Sub: - Outcome of the Board Meeting of the Company held on Saturday, February 08, 2025 at 5:40 P.M

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 read with Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to inform you that the meeting of the Board of Directors of the Company held on Saturday, February 08, 2025 at 5:40 P.M, and concluded at 6:22 P.M. at Mumbai considered and approved the following matter:

1. The Unaudited Standalone and Consolidated Financial Statements for the quarter and nine months ended December 31, 2024 prepared as per Indian Accounting Standards (IND-AS) along with Limited Review Report issued by the Statutory Auditors of the Company;
2. Approval and Adoption of amendments to the Policy on Related Party Transactions.
3. Approval and Adoption of amendment to the Policy on Determination of Materiality of Events or Information.

The above information is also available on the website of the Company at www.aarviencon.com.

Yours Faithfully,
For Aarvi Encon Limited

Leela Bisht
Company Secretary & Compliance Officer



Annexures:

1. Limited Review Report as issued by the Statutory Auditors of the Company for the quarter and nine months ended December 31, 2024;
2. Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2024;
3. Amended Policy on Related Party Transaction
4. Amended Policy on the Determination of Materiality of Events or Information.

**Independent Auditor's Limited Review Report on the Quarterly Unaudited Standalone Financial Results of
Aarvi Encon Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015, as amended.**

Review Report to
The Board of Directors
Aarvi Encon Limited,
B1-603, Marathon Innova,
Marathon Nextgen Complex,
G. K. Marg, Lower Parel,
Mumbai – 400013.
India.

Dear Sirs,

Re: Limited Review Report of the Unaudited Standalone Financial Results for the quarter ended on 31st December, 2024.

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **Aarvi Encon Limited ("the Company")** for the quarter ended on 31st December, 2024 and year to date results for the period from 01st April 2024 to 31st December 2024 ("**the Statement**") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "Regulation") as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to issue a report on these Financial Statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an Audit. We have not performed an Audit and accordingly, we do not express an Audit Opinion.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying standalone statement of unaudited financial results prepared in the accordance with applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Mumbai.

Date: 08th February, 2025



For Jay Shah & Associates.

Chartered Accountants

Firm Registration No.: 135424W

CA. Jay Shah
(Proprietor)

Membership No.: 134334.

UDIN: 25134334BMMIHR59718

AARVI ENCON LIMITED
CIN: L29290MH1987PLC045499
Statement of unaudited Standalone Results for the Quarter and nine months ended Dec 31, 2024
(All amounts are in Rupees lakhs, unless otherwise stated)



Particulars	Quarter Ended Dec 24 (Unaudited)	Quarter Ended Sep 24 (Unaudited)	Quarter Ended Dec 23 (Unaudited)	Nine Months ended Dec 24 (Unaudited)	Nine Months ended Dec 23 (Unaudited)	Year ended March 31, 2024 (Audited)
I Revenue from Operations	11,994.28	11,027.87	9,356.05	33,479.60	28,012.74	37,764.92
II Other Income	91.81	81.46	99.23	233.88	159.46	272.44
III Total Revenue (I + II)	12,086.09	11,109.34	9,455.27	33,713.48	28,172.20	38,037.36
IV Expenses:						
Employee Benefit Expenses	9,100.44	8,346.37	7,145.69	25,349.39	21,276.15	28,797.15
Finance Cost	79.20	78.90	39.32	214.00	105.27	146.70
Depreciation and amortisation expense	46.91	31.01	34.15	107.04	91.87	125.03
Other Expenses	2,677.58	2,527.98	1,960.10	7,487.93	5,881.27	7,865.46
Total Expenses (IV)	11,904.13	10,984.26	9,179.26	33,168.35	27,354.56	36,934.34
V Profit/(Loss) Before Tax (III-IV)	181.95	125.08	276.02	545.13	817.64	1,103.02
VI Tax Expense						
1. Current Tax	48.89	(1.89)	2.65	61.11	61.84	79.09
2. Short/Excess Provision of Tax	-	-	-	-	-	-
3. Deferred Tax (Credit)/Charge	(2.56)	(15.24)	(1.65)	(7.88)	(3.05)	(10.69)
Total Tax Expenses (VI)	46.33	(17.13)	1.00	53.23	58.79	68.40
VII Profit/(Loss) for the year (V-VI)	135.62	142.21	275.02	491.90	758.85	1,034.62
VIII Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss						
Re-measurement gains/ (losses) on defined benefit plans						(13.81)
(ii) Income Tax relating to items that will not be reclassified to statement of profit and loss						
Other Comprehensive Income for the year, net of tax						(13.81)
XIV Total comprehensive income for the year	135.62	142.21	275.02	491.90	758.85	1,020.81
Earnings per Share						
Basic	0.92	0.96	1.86	3.33	5.13	7.00
Diluted/Diluted(Restated)	0.91	0.96	1.84	3.29	5.08	6.92
Nominal Value per share of Rs.10 each						


Notes

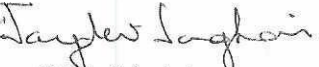
- In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended, the aforesaid statement of unaudited standalone financial results for quarter and nine months ended December 31, 2024, unaudited statement of assets and liabilities as at December 31, 2024 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 8th, 2025. The aforesaid results for the quarter and nine months ended December 31, 2024 have been subjected to limited review by the statutory auditors of the Company.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IND-AS) prescribed under section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder.
- The Company hereby gives a declaration that the signing directors are duly authorized by the board of directors to sign the financial results.
- During the period under review the company has got the actuarial valuation report dtd : 28-Jan-2025 towards Gratuity liability for those employees who were deployed on projects at clients premises on Contractual basis and has completed 5 years during the year as the said contract was renewed. The actuaries have valued the said liability as Rs. 58.84 Lacs as on 31.03.2024. The company had already provided an amount of Rs.22.84 Lacs on an estimated basis in the quarter ended September 2024 and the balance amount of Rs. 36.00 Lacs has been provided during the current period aggregating to Rs.58.84 Lacs. Moreover, as of now the said liability for Gratuity in case of such employees is unfunded and the company will be funding the said liability along with the other employees of the company at the end of the year.
- Expense arising from equity settled share based payment transactions (ESOP) is Rs 85.22 Lakhs for nine month ended Dec 24, the same has been considered above in Employee Benefit Expenses.
- The Company has only one business segment i.e. "Technical Manpower Outsourcing".
- The figures for the quarter ended Dec 31, 2024 are the balancing figures between unaudited year to date figures upto Dec 31, 2024 and the unaudited year to date figures upto Sep 30, 2024.
- The figures of the previous periods have been regrouped/ reclassified, wherever necessary.
- The above standalone financial results of the Company are available on the Company's website (www.aarviencon.com) and also on the website of NSE (www.nseindia.com), where the shares of the Company are listed.


Place: Mumbai
Date: 8th February, 2025



For and on behalf of the Board of Directors


Mr Virendra D. Sanghavi
Managing Director
DIN: 00759176


Mr Jaydev V. Sanghavi
Executive Director & CFO
DIN: 00759042

**Independent Auditor's Limited Review Report on the Quarterly Unaudited Consolidated Financial Results of
Aarvi Encon Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015, as amended.**

Review Report to
The Board of Directors
Aarvi Encon Limited,
B1-603, Marathon Innova,
Marathon Nextgen Complex,
G. K. Marg, Lower Parel,
Mumbai – 400013,
India.

**Re: Limited Review Report of the Unaudited Consolidated Financial Results for the quarter ended 31st
December, 2024.**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Aarvi Encon Limited** ("the Parent") and its subsidiaries, as given in the Annexure to this report (the Company and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income / loss of its subsidiaries for the quarter ended on 31st December, 2024 and year to date results for the period from 01st April 2024 to 31st December 2024 ("the Statement"), attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related interim financial results / interim consolidated financial information which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities as mentioned in the Annexure.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Consolidated Statement, prepared in accordance with the recognition and measurement principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The accompanying Statement includes the unaudited interim standalone / consolidated financial results / financial information, in respect of –
 - (i) 1 subsidiary included in the unaudited consolidated financial results, which have been reviewed by us, whose unaudited standalone interim financial information reflect total revenues of Rs. 6.15 Lakhs for quarter ended 31st December, 2024, total Net Profit after tax of Rs. 4.38 Lakhs for quarter ended 31st December, 2024 and total comprehensive income of Rs. 0 (zero) for the quarter ended 31st December, 2024 as considered in the standalone Financial Statement. These interim financial statements have been reviewed by us and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on the observations of the Management and the procedures performed by us as stated in paragraph 3 above.
 - (ii) 1 subsidiary included in the unaudited consolidated financial results, which have not been reviewed by us, whose unaudited consolidated interim financial information reflect total revenues of Rs. 2,998.43 Lakhs for quarter ended 31st December, 2024, total Net Profit after tax of Rs. 298.96 Lakhs for quarter ended 31st December, 2024 and total comprehensive income of Rs. 52.55 Lakhs for the quarter ended 31st December, 2024 as considered in the consolidated Financial Statement. The interim financial statements of the subsidiary have been reviewed by their auditor and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on the observations of the Management and the procedures performed by us as stated in paragraph 3 above.



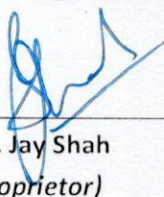
- (iii) 1 subsidiary included in the unaudited consolidated financial results, which have not been reviewed by us, whose unaudited standalone interim financial information reflect total revenues of Rs. 4.33 Lakhs for quarter ended 31st December, 2024, total Net Loss after tax of Rs. 8 Lakhs for quarter ended 31st December, 2024 and total comprehensive Loss of Rs. 1.30 Lakhs for the quarter ended 31st December, 2024 as considered in the standalone Financial Statement. The interim financial statements of the subsidiary have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on the observations of the Management and the procedures performed by us as stated in paragraph 3 above.
- (iv) 1 associate entity included in the unaudited consolidated financial results, which have not been reviewed by us, whose unaudited standalone interim financial information reflect revenues of Rs. 105.3 Lakhs for quarter ended 31st December, 2024, Net Loss after tax of Rs. 78.31 Lakhs for the quarter ended 31st December, 2024 and total comprehensive loss of Rs. 3.63 Lakhs for the quarter ended 31st December, 2024 as considered in the standalone interim financial information. These interim financial statements have been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on the observations of the Management and the procedures performed by us as stated in paragraph 3 above.
- (v) 1 Subsidiary included in the unaudited consolidated financial results, which have not been reviewed by us has been incorporated during the first quarter is yet to commence business.

Our conclusion on the Statement is not modified in respect of this matter.

Place : Mumbai.
Date : 08th February, 2025.



For Jay Shah & Associates.
Chartered Accountants
Firm Registration No. : 135424W


CA. Jay Shah
(Proprietor)

Membership No. : 134334.
UDIN: 25134334BMIHRR7459

Annexure to Independent Auditors' Limited Review Report on Review of Interim Consolidated Financial Results.

A. Parent Company;

Sr. No.	Name of the Parent Company
1.	Aarvi Encon Limited

B. Subsidiaries held directly

Sr. No.	Name of the Subsidiary
1.	Aarvi Engineering and Consultants Private Limited
2.	Aarvi Encon (FZE)
3.	Aarvi Encon Resources Limited
4.	Aarvi Energy Company LLC w.e.f. 30 th April, 2024.

C. Subsidiaries held indirectly

Sr. No.	Name of the Subsidiary
1.	Aarvi Encon LLC, Muscat Sultanate of Oman [Subsidiary of Aarvi Encon (FZE)] w.e.f. 13 th January, 2021.
2.	MNR Technical Services LLC [Subsidiary of Aarvi Encon (FZE)] w.e.f. 14 th June, 2023

D. Associate Entities

Sr. No.	Name of the Entity
1.	PT. Aarvi Encon Services, Indonesia [Associate entity of Aarvi Encon (FZE) – Stake held 49%] w.e.f. 10 th June, 2021.
2.	Aarvi Encon Staffing Services W.L.L., Qatar [Joint Venture – Stake held 49%] w.e.f. 02 nd March, 2022.



AARVI ENCON LIMITED
CIN: L29290MH1987PLC045499
Statement of unaudited consolidated Results for the Quarter and nine months ended Dec 31, 2024
(All amounts are Rupees in lakhs unless otherwise stated)



Particulars	Quarter Ended Dec 24 (Unaudited)	Quarter Ended Sep 24 (Unaudited)	Quarter Ended Dec 23 (Unaudited)	Nine Months ended Dec 24 (Unaudited)	Nine Months ended Dec 23 (Unaudited)	Year ended March 31, 2024
I Revenue from Operations	13,164.45	12,095.93	9,988.49	36,593.81	30,303.99	40,614.66
II Other Income	45.78	104.44	89.63	198.11	133.19	232.79
III Total Revenue (I + II)	13,210.23	12,200.37	10,078.12	36,791.92	30,437.18	40,847.45
IV Expenses:						
Employee Benefit Expenses	9,710.93	9,061.34	7,314.87	27,190.52	21,663.00	29,347.27
Finance Cost	79.20	78.92	39.32	224.98	105.27	146.80
Depreciation and amortisation expense	47.16	31.31	34.60	107.78	93.09	126.78
Other Expenses	3,089.49	2,834.87	2,450.58	8,508.49	7,686.38	10,015.89
Total Expenses (IV)	12,926.78	12,006.44	9,839.37	36,031.76	29,547.74	39,636.74
Profit before exceptional item and tax (III-IV)	283.46	193.93	238.75	760.16	889.44	1,210.71
Exceptional items/Tax Recovery of earlier years						
V Profit/(Loss) Before Tax (III-IV)	283.46	193.93	238.75	760.16	889.44	1,210.71
VI Tax Expense						
1. Current Tax	48.89	(1.89)	2.65	61.11	61.84	79.09
2. Short/Excess Provision of Tax	-	-	-	-	-	-
3. Deferred Tax	(2.68)	(15.10)	(1.65)	(10.00)	(3.05)	(2.74)
Total Tax Expenses (VI)	46.21	(16.99)	1.00	51.11	58.79	76.35
VII Profit/(Loss) for the year (V-VI)	237.25	210.91	237.75	709.06	830.65	1,134.36
VIII Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss						
Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-	-	(13.81)
tax effect thereon	-	-	-	-	-	-
(ii) Items that will be reclassified to profit or loss						
Changes in foreign currency translation reserve	48.42	9.77	1.82	49.02	17.98	10.86
tax effect thereon	-	-	-	-	-	-
Other Comprehensive Income for the year, net of tax	48.42	9.77	1.82	49.02	17.98	(2.95)
IX Total comprehensive income for the year	285.67	220.68	239.58	758.08	848.63	1,131.42
X Net Profit attributable to:						
Owners of the Holding Company Profit / (Loss)	237.25	210.91	237.75	709.06	830.65	1,134.36
Non-Controlling Interest Profit / (Loss)	-	-	-	-	-	-
XI Other Comprehensive Income attributable to:						
Owners of the Holding Company	48.42	9.77	1.82	49.02	17.98	(2.95)
Non-Controlling Interest	-	-	-	-	-	-
XII Total Comprehensive Income attributable to:						
Owners of the Holding Company	285.67	220.68	239.58	758.08	848.63	1,131.42
Non-Controlling Interest Profit / (Loss)	-	-	-	-	-	-
XIII Earnings per Share						
Basic	1.60	1.43	1.61	4.80	5.62	7.67
Diluted/Diluted(Restated)	1.59	1.42	1.59	4.75	5.56	7.59
Nominal Value per share of Rs.10 each						

Notes

- In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended, the aforesaid statement of unaudited consolidated financial results for quarter and nine months ended December 31, 2024, unaudited statement of assets and liabilities as at December 31, 2024 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 8th, 2025. The aforesaid results for the quarter and nine month ended December 31, 2024 have been subjected to limited review by the statutory auditors of the Company.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IND-AS) prescribed under section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder.
- The Company hereby gives a declaration that the signing directors are duly authorized by the board of directors to sign the financial results.
- During the period under review the company has got the actuarial valuation report dtd : 28-Jan-2025 towards Gratuity liability for those employees who were deployed on projects at clients premises on Contractual basis and has completed 5 years during the year as the said contract was renewed. The actuaries have valued the said liability as Rs. 58.84 Lacs as on 31.03.2024. The company had already provided an amount of Rs.22.84 Lacs on an estimated basis in the quarter ended September 2024 and the balance amount of Rs. 36.00 Lacs has been provided during the current period aggregating to Rs.58.84 Lacs. Moreover, as of now the said liability for Gratuity in case of such employees is unfunded and the company will be funding the said liability along with the other employees of the company at the end of the year.
- Expense arising from equity settled share based payment transactions (ESOP) is Rs 85.22 Lakhs for nine month ended Dec 24, the same has been considered above in Employee Benefit Expenses.
- The Company has only one business segment i.e. "Technical Manpower Outsourcing".
- The figures for the quarter ended Dec 31, 2024 are the balancing figures between unaudited year to date figures upto Dec 31, 2024 and the unaudited year to date figures upto Sep 30, 2024.
- The figures of the previous periods have been regrouped/ reclassified, wherever necessary.
- The above consolidated financial results of the Company are available on the Company's website (www.aarviencon.com) and also on the website of NSE (www.nseindia.com), where the shares of the Company are listed.

Place : Mumbai
Date : 08 February, 2025

For and on behalf of the Board of Directors

U. D. Sanghavi Jaydev Sanghavi

Mr Virendra D. Sanghavi
Managing Director
DIN: 00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN: 00759042



AARVI ENCON LIMITED
CIN: L29290MH1987PLC045499

RELATED PARTY TRANSACTION POLICY*

(Under Regulation 19(4) read with Part D of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

1. Preamble:-

The Board of Directors (the "Board") of Aarvi Encon Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose:-

This policy is framed as per requirement of Regulation 23 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations") and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions:-

"**Audit Committee**" or "**Committee**" means Committee of Board of Directors of the Company constituted under Regulation 18 provisions of SEBI Listing (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

"**Company**" means Aarvi Encon Limited.

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

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

"**Control**" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

"**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013 and includes (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole time director; (ii) Company Secretary; and



(iii) Chief Financial Officer (iv) Chief Executive Officer (v) Chief Operating Officer.

"Policy" means the Related Party Transaction Policy.

"**Related Party**" means related party as defined under Section 2(76) of the Companies Act and rules framed thereunder or under applicable accounting standards.

The following shall also be treated as the Related Party for the Company:

- (a) All person or entity forming a part of the Promoter or Promoter Group of the Company; or
- (b) Any person or any entity, holding equity shares to the extent of 10% or more, in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediately preceding financial year Shall be deemed to be Related Party.

"**Relative**" means relative as defined under section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.

"**Related Party Transaction**" (RPT) means transaction covered under section 188 of the Act and includes any transaction involving a transfer of resources, services or obligations between:

- i. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- ii. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries,

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

The following will not be considered as RPTs and hence, will not require approvals and disclosures under SEBI Listing Regulations:

- the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Corporate actions (viz. dividend, subdivision or consolidation of securities, rights issue, bonus issue, buy-back, etc.) which are uniformly applicable/offered to all shareholders in proportion to their shareholding;
- Retail purchases from the Company or its subsidiary by its directors/ employees, without establishing a business relationship and at the terms which are uniformly applicable to all directors and employees

"**Material Related Party Transaction**" means,

- A) a transaction with a related party if the transaction with a related party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceeds ten percent of**



the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- B) with respect to **brand usage or royalty**, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceeds five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.**

“**Material Modification**” means any change in the value of transaction exceeding **15%** of the value of the existing **Material Related Party Transaction.**

4. Policy:-

All Related Party Transactions and subsequent material modifications must be reported to the Audit Committee and require prior approval of the Audit Committee of the Company in accordance with this Policy.

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company. Audit committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, subject to the conditions specified in Regulation 23(3) of SEBI Listing Regulations. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

4.1 Identification of Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Audit Committee/Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.2 Prohibitions on Related Party Transactions:

All Related Party Transactions shall require prior approval of Audit Committee and only those members of the audit committee, who are independent directors, shall approve related party transactions.

Further, all Material Related Party Transactions shall require approval of the shareholders through resolution and the related parties shall not vote to approve such resolutions whether the entity is a related party to the particular transaction or not. The notice along with explanatory statement being sent to the shareholders seeking approval for any proposed RPT's shall, in addition to the requirements as mentioned under the Companies Act, 2013.



4.3 Review and Approval of Related Party Transactions:-

Related Party Transactions entered by the Company or its subsidiaries will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has an interest in any Related Party Transaction will not be physically present and abstain himself or herself from the discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant Material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) Whether the terms of the Related Party Transaction are in the ordinary course of business and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (ii) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (iii) Whether the Related Party Transaction would affect the independence of an independent director;
- (iv) Whether the proposed transaction includes any potential risk issues that may arise as a result of or in connection with the proposed transaction;
- (v) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- (vi) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

4.4 Remuneration and sitting fees:

Remuneration and sitting fees paid by the Company or its subsidiary to its directors, KMPs or senior management (excluding promoters/promoter group) is now exempt from the requirement of prior approval of audit committee provided the transaction is not material. Further, no disclosure is required to be made to the stock exchanges for the same.

4.5 Post facto ratification of RPTs:



In case if RPT is not approved (prior / omnibus) by the audit committee, then independent directors of the audit committee can ratify RPTs within 3 months from entering into the transaction or in the immediate next meeting, whichever is earlier, subject to the following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ii. the transaction is not material related party transaction;
- iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv. the details of ratification shall be disclosed along with the disclosures of related party transactions to stock exchange;
- v. any other condition as specified by the audit committee.

In case RPT is not ratified, then such transaction will be voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

4.6 Omnibus Approval for RPTs of subsidiaries:

- For RPTs entered into by subsidiaries where Company is not a party, omnibus approval of audit committee can be taken in line with omnibus approval undertaken by the Company.
- Audit committee need to set criteria for granting the omnibus approval.
- In addition to existing requirement of review of RPTs entered into by the Company on a quarterly basis, audit committee shall also review the RPTs of subsidiaries that were approved under omnibus route.
- Omnibus approval of audit committee of Company can be taken for unforeseen RPTs of subsidiaries (where Company is not a party).

Note: As per SEBI Listing Regulations, for RPTs entered into by subsidiaries of Company, where Company is not a party, approval of audit committee of Company is required if the transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary.

However, prior approval of the audit committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party, but the Company is not a party, if Regulation 23 and 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

4.7 Exempt RPTs:

Following RPTs are exempt from the requirement of obtaining approval of audit committee or shareholders:

- Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.



- Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and Central Government or State Government or any combination thereof on the other hand.

4.8 Amendments in Law:

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.

***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 29th May 29, 2023.*
3. *Amended and approved by the Board of Directors at their meeting held on 8th February, 2025.*



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*