

POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION

Preamble

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as “Listing Regulations”), mandates disclosure of any events or information which, in the opinion of the board of directors (“Board”) of Northern Arc Capital Limited (“the Company”), is material. Regulation 30 (4) of the Listing Regulations requires the Company to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein (“Policy”).

Applicability

The Policy shall be applicable to the Company with effect from the listing of the equity shares of the Company on one or more recognized stock exchanges.

Disclosure of events or information

1. The events or information specified in Para A of Part A of Schedule III of the Listing Regulations will be disclosed without the application of any materiality thresholds, as soon as reasonably possible, from the occurrence of such event/information, but not later than the timelines prescribed by the SEBI under the circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 (as amended from time to time), as these are “deemed” to be material events. Provided that in case the disclosure is made after the prescribed timeline, the Company shall, along with such disclosures provide explanation for the delay.

2. The events or information other than those deemed material (discussed above) , including events or information specified in Para B of Part A of Schedule III of the Listing Regulations will be disclosed based on application of the materiality criteria, as laid out in the Listing Regulations and this Policy.

3. In addition to the above, Paras C and D of Part A of Schedule III of the Listing Regulations mandate disclosure of the, inter alia, the following:

- a. major developments that are likely to affect business and brief details thereof,
- b. any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to apprise its position and to avoid the establishment of a false market in such securities; and
- c. any other disclosures as may be specified by SEBI from time to time

Policy

This Policy sets out:

1. guidelines for identification of such information/events, which is material, in the opinion of the Board; and
2. roles and responsibilities of certain identified key managerial personnel, as per the Companies Act, 2013, for determining materiality of an event or information and making disclosure to the relevant stock exchanges.

Guidelines for identification of such event / information, which is material, in the opinion of the Board

Events other than those deemed material (discussed above), including events listed under Para B of Part A of Schedule III of the Listing Regulations shall be considered as material based on the criteria listed 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:

- (1) two percent of turnover, as per the 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.

It is clarified that the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

3. Any other information/event, viz. major development that is likely to affect business, any change of accounting policy that may have a significant impact on the accounts, and any other information which is exclusively known to the Company, which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

4. Any information/ events with respect to subsidiary of the Company which are material for the Company, shall also be disclosed to the relevant stock exchanges.

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

6. Further, the Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

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

8. In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such

communication, along with the event or information, unless the disclosure of such communication is prohibited by such authority.

9. In addition, with effect from such date as may be specified by the SEBI, if the Company is determined to be among the top 100 or 250 listed companies by market capitalization as at the end of the immediately preceding financial year, the Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of Regulation 30 of the Listing Regulations are circulating among the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information, together with the current stage of the event or information (if confirmed by the Company).

Roles and responsibilities of key managerial personnel for determining materiality of an event or information and making disclosure to stock exchanges:

In terms of the Listing Regulations, the Board has authorised the following key managerial personnel of the Company (in terms of the Companies Act, 2013), i.e. the Managing Director, Chief Operating Officer & Chief Executive Officer, the Chief Financial Officer and the Company Secretary as the “Authorised Persons” for the purposes of determining materiality of an event or information as per the guidelines contained under this Policy and the Listing Regulations, and for the purposes of disclosing such event / information to the relevant stock exchanges. The contact details of the Authorised Persons shall be disclosed to the relevant stock exchanges and as well as on the Company's website

Disclosure requirements for certain types of agreements binding listed entities:

All shareholders, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate companies, if any, who are parties to the agreements specified in clause 5A of para A of part A of Schedule III to the Listing Regulations, shall inform the Company about such agreements to which the 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 such timelines as may be specified by the SEBI from time to time.

Disclosure

The Company shall disclose on its website all such events or information which has been disclosed to the relevant stock exchanges 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 the archival policy of the Company.