

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”).

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 these are “deemed” to be material events.
2. The 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 Policy below.
3. In addition to the above, Paras C and D of Part A of Schedule III of the Listing Regulations mandate disclosure of 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

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, but not later than 24 hours from the occurrence of such event/ information as these are “deemed” to be material events. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures, provide explanation for the delay.

The events/ information as set out in Para B of Part A of Schedule III of the Listing Regulations, will be disclosed to the relevant stock exchanges, as soon as reasonably possible, but not later than 24 hours from the occurrence of such event/ information, if the estimated impact of such event/ information exceeds 10% of Total Revenue or 10% of the total net worth, whichever is lower, Total Revenue/ net worth shall be based on the latest audited Consolidated annual financial statements of the Company for the previous year. Options to acquire securities of the company including through any ESOP/ESPS Scheme’ shall be considered as a material event for disclosure if it exceeds 2% of the post issue equity capital of the Company.

Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures, provide explanation for the delay.

2. In the event the materiality threshold indicated above cannot be applied to a particular event and/or information, the Company shall assess materiality based on the following criteria: a. the omission of disclosure of a particular event or information is likely to result in discontinuity or alteration of event or information already available publicly; b. the omission of disclosure of a particular event or information is likely to result in significant market reaction if the said omission came to light at a later date; or c. In case the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if, in the opinion of the Board, the event / information is considered material.
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.

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 and Chief Executive Officer, Executive Director and Chief Operating 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

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.