

## **NORTHERN SPIRITS LIMITED**

### **POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

#### **1. OBJECTIVE**

The Policy is framed in accordance with the requirements of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine the materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality.

#### **EFFECTIVE DATE**

This Policy is effective from 04/04/2019.

#### **2. DEFINITION**

- a. **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- b. **“Board of Directors”** or **“Board”** shall mean the Board of Directors of Northern Spirits Limited, as constituted from time to time.
- c. **“Company”** shall mean Northern Spirits Limited.
- d. **“Audit Committee or Committee”** means Audit Committee constituted by the Board of Directors of the Company, from time to time under the provisions of SEBI, LODR, 2015, and/or the Companies Act, 2013.
- e. **“Key Managerial Personnel”** or **“KMP”** shall mean CEO, Managing Director, Whole Time Director, Chief Financial Officer, Company Secretary and any other person who is entrusted with position of Finance and accounts authorized by Board of Directors.
- f. **“Listing Agreement”** shall mean an agreement entered or proposed to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time.
- g. **“Material Event”** or **“Material Information”** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 4 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.
- h. **“Net Worth”** means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013
- i. **“Policy”** shall mean this Policy on the criteria for determining Materiality of events or information and as amended from time to time.

- j. **“Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- k. **“Schedule”** shall mean Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.
- l. **“Turnover”** as defined under Section 2(91) of the Companies Act, 2013 means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year.

### **3. AUTHORITY TO DETERMINE MATERIALITY OF EVENTS**

The Board of Directors of the Company have authorised the Key Managerial Personnel as defined under 2(e) of the policy to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The KMPs 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 or a regular basis, till such time the events 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 Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.

### **4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

Certain information is per se Material Information as specified in the Para A of Part A of Schedule III of Regulations. An illustrative list of such Material Information is attached as **Annexure A**.

Besides per se Material Information, materiality of an event / information must be subject to the following two criteria:

- (a) **Qualitative Criteria:** Where the omission of the event/ information result in discontinuity/ alteration of information already available publicly or where the omission of the event / information can lead to creation of false market in the securities of the Company or any other

event / information which should be treated as being material in the opinion of the Board of Directors of the Company. (Subjective test)

(b) Quantitative Criteria: Where the event results into change exceeding 10% of gross turnover during the previous audited accounting year or exceeding 20% of the net worth ,whichever is lower, basis the Standalone or Consolidated (if applicable), accounts of the Company as on the last date of the previous accounting year.

An illustrative list of such Material event/ information as specified in the Para B of Part A of Schedule III of Regulations is attached as **Annexure B**.

## **5. DISCLOSURES OF EVENTS OR INFORMATION**

a. Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:

- i. inform the stock exchanges on which the securities of the Company are listed;
- ii. Upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

b. The Company shall make the disclosure of events/information as specified in **Annexure B** based on application of guidelines for determining Materiality as per clause 3 and 4 of the Policy.

All the above disclosures will be hosted on the website of the Company for a minimum period of five years and thereafter archived in accordance with the Company's policy for Preservation and Archival of Documents.

## **6. COMMUNICATION AND DISSEMINATION OF THE POLICY**

For all existing and New Employees and Directors, a copy of this Policy shall be posted on the internet and the web-site of the Company.

## **7. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of anylaw for the time being in force.

## **8. CONTACT DETAILS OF KEY MANAGERIAL PERSONNEL**

Pursuant to Regulation 30 (5), the contact details of the Key Managerial Personnel authorised for the purpose of determining the materiality of event or information are as under:

Company Secretary & Compliance Officer of the Company.

Email: [info@northernspirit.in](mailto:info@northernspirit.in)

Phone: 033-22902043

**Events which shall be mandatorily disclosed without any further consideration of the guidelines for materiality:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;

Explanation. - 'Acquisition' shall mean, -

(i) acquiring control, whether directly or indirectly; or,  
(ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -

(a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;

(b) there has been a change in holding from the last disclosure made under above sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.;

3. Revision in credit rating(s);

4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of any meeting held to consider the following:

a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;

b) any cancellation of a dividend with reasons therefore;

c) the decision on buyback of securities;

d) the decision with respect to fund raising proposed to be undertaken;

e) increase in capital by issue of bonus shares through capitalization of reserves including the date on which such bonus shares shall be credited/dispatched;

f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits which may be to subscribed to;

g) short particulars of any other alterations of capital, including calls;

h) financial results;

i) decision on voluntary delisting by the Company from stock exchange(s):

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that they impact management and control of the company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;

6. Fraud/defaults by a Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or a Promoter;

7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;

(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

(7B) In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

- i. The letter of resignation along with detailed reasons for the resignation as given by the said director;  
(ia) indicating the category of directorship and membership of board committees, if any.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

8. Appointment or discontinuation of share transfer agent;

9. Corporate debt restructuring;

10. One-time settlement with a bank;

11. Reference to BIFR and winding-up petition filed by any party /creditors;

12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company;

13. Proceedings of Annual and extraordinary general meetings of the Company;

14. Amendments to memorandum and articles of association of Company, in brief;

15.

- a) Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

- (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
  - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
  - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

The requirement for disclosure(s) of audio/video recordings and transcript shall be mandatory with effect from April 01, 2022

- 16. Event based disclosure(s) as specified in regulations, in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code
- 17. In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company:
  - a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

## Annexure B

### Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of the business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-ups, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;
4. Awarding, winning/ receiving, amendment or termination of awarded/won orders/ contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or divisions of the Company due to a natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with their possible impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of a guarantee or an indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
13. Any other information/event/ major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof 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