



Policy for Determining Materiality for Disclosures
As Adopted by the Board of Directors on November 21, 2017

A. Introduction & Background

Equity shares of Aster DM Healthcare Limited (the 'Company' or 'Aster DM') are proposed to be listed in India on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The requirements under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI Regulations) and other relevant rules and statutes have been considered while drafting this Policy for determining Materiality for Disclosures (the 'Policy'). SEBI Regulations mandate listed entities to formulate a policy for determining materiality of events or information that warrant disclosure to investors. It is in this context this Policy on Determining Materiality for Disclosures is being framed and implemented.

The Policy applies in respect of disclosures of material events occurring within Aster DM and its subsidiaries. This policy is in addition to and does not derogate from, Aster DM's Insider Trading Policy and which deals with dissemination of Unpublished Price Sensitive Information (also referred to as material non – public information)

B. Definitions

In this Policy, unless the context otherwise requires:

- a) **"Board of Directors"** shall mean the board of directors of Aster DM Healthcare Limited, as constituted and reconstituted from time to time;
- b) **"Chief Financial Officer"** shall mean Chief Financial Officer appointed by the Company pursuant to the provisions of Section 203 of the Companies Act, 2013
- c) **"Company Secretary"** shall mean the Company Secretary appointed by the Company pursuant to the provision of Section 203 of the Companies Act, 2013
- d) **"Key Managerial Personnel"** or **"KMP"** means and includes the Managing Director, Chief Financial Officer and Company Secretary of the Company appointed pursuant to the provisions of Section 203 of the Companies Act, 2013.
- e) **"Promoter"** and **"Promoter Group"** shall have the meaning assigned to them under SEBI Regulations, from time to time.
- f) **"Subsidiary"** means a subsidiary as defined under the provisions of the Companies Act, 2013

All words and expressions used but not defined in this Policy, but defined in SEBI Act, 1992, Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and / or the rules and regulations made thereunder shall have the meaning as respectively assigned to

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them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

C. Objective of Policy

The objective of this Policy are as follows:

- a) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly traded company as laid down by the SEBI Regulations, various securities laws and any other applicable legislations;
- b) To ensure that the information disclosed by the Company is timely and transparent;
- c) To ensure that the corporate documents and public statements are accurate and do not contain any mis-representation;
- d) To protect the confidentiality of Material / Price Sensitive information within the context of the Company's disclosure obligations
- e) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company
- f) To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

D. Authorised Persons

Key Managerial Personnel of the Company are authorised to determine the materiality of an event or information and to make appropriate disclosures on a timely basis. The Key Managerial Personnel are also authorised to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The Key Managerial Personnel shall have the following powers and responsibilities for determining the material events or information:

1. 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;
2. 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
3. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved / closed, with relevant explanations;
4. To consider such other events or information that may require to be made to the stock exchanges which are not explicitly defined in SEBI Regulations and determine the materiality, appropriate time and contents of disclosure for such matters
5. To disclose all events or information with respect to the subsidiaries which are material for the Company

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The Company Secretary or his/her designee, in each case, together with the company's investor relations department, if any, must pre-approve any deviations from the guiding principles / procedures outlined in this policy.

E. Powers of Key Managerial Personnel

The Key Managerial Personnel 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 of 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 on a regular basis, till such time the event 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 SEBI Regulations and determine the materiality, appropriate time and contents of the disclosure of such matters;
- e) To disclose all events or information with respect to the subsidiaries which are material for the Company.

F. Information

The information covered by this Policy shall include information related 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 the materiality mentioned hereunder. Events or information that is to be disclosed based on the materiality principle are specified in Annexure A to this Policy.

Event listed in Schedule III, Part A of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time, shall be disclosed without application of the criteria listed in this Policy.

G. Materiality Assessment

Information should be regarded as "material" if there is a substantial likelihood that a reasonable investor would consider such information important in decision making a decision to buy, sell, or hold a security or where such information is likely to have a significant effect on the market price of the security. Either positive or negative information may be material.

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Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to information/event. The approach for determining materiality will be both quantitative criteria which are outlined as under:

- a) The omission of an event or information which is likely to:
 1. Result in a discontinuity or alteration of an event or information already available publicly;
 2. Result in significant market reaction if the said omission came to light at a later date;
- b) In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

The following criteria will be applicable for determining the materiality of event or information:

- Where the involved or the impact exceeds INR 100 Crores in terms of gross turnover or revenue or total income or exceeds 10% of the net-worth. (lower threshold shall be taken as trigger)
- The above thresholds shall be determined based on the audited consolidated financial statements of the Company for the previous year.
- Whether the transaction is in the ordinary course of business;
- Whether a related party is involved in the transaction;
- Whether the transaction is an exit from, or entry into, a significant line of business.

The quantitative criteria shall be read in conjunction with the qualitative criteria for determining materiality and arriving at the overall decision for the event to be reported.

H. Obligations under the Policy

Any event or information including the information forming part of Annexure A or any event / information listed in Schedule III, Part A of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time, shall be forthwith informed to KMP upon occurrence, with adequate supporting documents / materials.

KMP thereafter shall determine the materiality of the information / event based on the principles laid down under the Policy and relevant rules and regulations. And on completion of the assessment, KMP shall, if required, make appropriate disclosures to stock exchanges.

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I. **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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Annexure A

Information that would normally be regarded as “material” include the following, although the list is not exhaustive:

- Financial performance, financial condition, projections or forecasts;
- Known but unannounced future earnings or losses;
- Significant corporate events, such as pending or proposed acquisition or joint venture or other corporate actions such as demerger / amalgamation etc...;
- Commencement or any postponement in the date of commencement of commercial operation of any hospitals / clinics / pharmacies
- Change in general character or nature of business brought about by arrangements for strategic, technical or marketing tie up, adoption of new line of business, closure of any units
- Disruption of operations due to events such as strikes, lock outs or disruption of operations due to events such as power shortage, earth quake or other natural calamities;
- Plans to set up new hospitals, clinics or pharmacies that have significant impact;
- Significant developments involving business relationships with, suppliers / vendors or other business partners;
- Changes in auditors as per statutory requirement or otherwise or auditor notification that the issuer may no longer rely on an audit report;
- Events regarding the Company’s securities (such as repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, public or private sales of additional securities or information related to any additional funding);
- Bankruptcies, receiverships or financial liquidity problems;
- Positive or negative developments in outstanding litigation, investigations or regulatory matters with significant impact on financial results; or commencement of any new litigations thereof;
- Nay changes to the Company’s Board of Directors or the Company’s key managerial personnel and key agreements with them; or

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- Any significant changes to the company's capital structure
- Fraud / defaults by directors of the Company or employees of the Company
- Granting, withdrawal or suspension of key licenses / approvals that are likely to affect operations of the hospitals / clinics / pharmacies
- Any other events which are likely to affect the business / operations of the Company like emergence of new technology, claims with respect to intellectual properties, any change in accounting policy which may have significant impact on the accounts.

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