

**POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION
KMC SPECIALITY HOSPITALS (INDIA) LIMITED**

1. PREFACE

The Board of Directors (the “Board”) of **KMC SPECIALITY HOSPITALS (INDIA) LIMITED** (the “Company”) is obliged to form a Policy for determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (The Policy).

This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

2. APPLICABILITY

The Policy is applicable to **KMC SPECIALITY HOSPITALS (INDIA) LIMITED** (the “Company”).

3. DISCLOSURE OF EVENTS OR INFORMATION

A. The following events / information specified in Para A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of the guidelines for materiality:

- i. 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: For the purpose of this sub-para, the word 'acquisition' shall mean,-

- a. acquiring control, whether directly or indirectly; or,
- b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - 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;
 - there has been a change in holding from the last disclosure made under 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.
- ii. 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.
- iii. Revision in Rating(s).

iv. Outcome of Meetings of the board of directors:

The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the 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 dividend with reasons thereof;
 - 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 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 to subscribe 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).
- v. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in the normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- vi. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.
- vii. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- viii. Appointment or discontinuation of share transfer agent.
- ix. Corporate debt restructuring.
- x. One time settlement with a bank.
- xi. Reference to BIFR and winding-up petition filed by any party / creditors.
- xii. 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.
- xiii. Proceedings of Annual and extraordinary general meetings of the Company.
- xiv. Amendments to memorandum and articles of association of the Company, in brief.
- xv. Schedule of Analyst or institutional investor meets and presentations on financial results made by the Company to analysts or institutional investors;
- B.** The following events / information specified in Para B of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges after following the procedural guidelines as given in para 5 of this Policy:
- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
 - ii. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
 - iii. Capacity addition or product launch.

- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
- vi. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of the Company.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. The Company shall consider the following criteria for determination of materiality of event or information:

- (a) the omission of an event or information 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;
- (c) where 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 of directors of the Company, the event / information is considered material.

5. PROCEDURAL GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

The CFO of the Company shall determine the materiality of an event or information.

The Managing Director, CFO and Company Secretary are severally authorised for making disclosures of such material event or information to the stock exchange.

Where the Board of directors of the Company are not certain about materiality of event / information, the same may be referred for external legal advice.

The procedure to be followed in relation to the lodgement of announcement of material event / information is as follows:

- i. **Prepare draft announcement to the Stock Exchange:** If the event / information is material, the Company Secretary will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of the Managing Director of the Company.
- ii. **Lodge Announcements:** The Company Secretary on behalf of the Company will lodge or arrange for lodgement of the announcement with the Stock Exchange.

- iii. **Post announcement on website:** After lodgement of the announcement with the Stock Exchange, the Company Secretary will arrange to place it on the website of the Company.

All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

6. COMMUNICATION OF THIS POLICY

This Policy shall be posted on the web-site of the Company.

7. AMENDMENT

The Board of Directors shall make appropriate changes to the above policy as may be deemed expedient taking into account the law for the time being in force.

Approved by the Board of Directors on: 11-02-2016