

KOVAI MEDICAL CENTER AND HOSPITAL LIMITED
POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR
INFORMATION

In order to ensure transparency and disclosure of material events / information of the Company to its stakeholders, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR”) and based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFDPoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”) , a Policy on the procedure to be followed for Disclosure of Material events/ information to the Stock Exchange where the Equity Shares of the Company are listed, hereinafter called “the Policy” has been adopted by the Board of Directors of the Company.

PURPOSE

To determine the events and information which in the opinion of the Board are Material and shall be disclosed to BSE

To provide guidelines for making decisions for disclosure of material events / information.

To define the time span for disclosure of material events / information.

GUIDELINES

The following shall be the events / information, upon the occurrence of which the Company shall disclose to the BSE

(a) The events specified in Para A of Part A of Schedule III of “LODR”, are deemed to be material events and the Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) (“Para A Events”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

(b) Based on the application of the guidelines for materiality as specified in Regulation 30(4), the Board of Directors of the Company shall consider the following criteria for determination of materiality of events/ information for disclosures specified in Para B of Part A of Schedule III:

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- ii. The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
- iii. In case where the criteria specified in the above points 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.

(C) In terms Para C of Part A of the Schedule III of “LODR” , any other information/event viz. 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.

(d) In terms of Para D of Part A of the Schedule III of “LODR”, Without prejudice to the generality of the above, the Company may make disclosures of event/information as specified by the Board from time to time.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

Quantitative criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

(a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or

(b) 2% (two per cent) of consolidated 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)); or

(c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if 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.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

Qualitative criteria would mean an event/ information:

- (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) Any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION & ITS TIMELY DISCLOSURE

The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under:

- (a) Depends upon the stage of discussion, negotiation or approval; and
- (b) In case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under (a), the events/information can be said to have occurred upon receipt of approval of the Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under (b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

A Disclosure Committee comprising of the following KMPs and officers of the Company are hereby authorized for the purpose of determining materiality of an event or information, evaluating whether an event/ information requires Stock Exchange disclosures, and for the purpose of making disclosures to the Stock Exchanges within the applicable timelines ("Authorized Person(s)");

1. Managing Director
2. Chief Financial Officer
3. Company Secretary and
4. Compliance Officer

DISCLOSURE

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
 - ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
 - iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.
- a) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
 - b) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the 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 any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the LODR Regulations, as amended from time to time, the LODR Regulations shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company.