



Aster DM Healthcare Limited

Policy for Determination of Materiality

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Table of contents

Sl. No.	Particulars	Page. No.
1	Introduction and Background	3
2	Definitions	3
3	Objectives of Policy	4
4	Authorized Persons	4
5	Powers of Key Managerial Personnel	4
6	Scope and Applicability	5
7	Criteria for determining materiality of events or information	5
8	Disclosure of material events or information	6
9	Guidance on verification of market rumors subject to material price movement	7
10	Obligations under the Policy	7
11	Disclosure requirements for certain types of agreements binding the Company	8
12	Limitation and Amendment	8

1. Introduction & Background

The equity shares of Aster DM Healthcare Limited (the 'Company' or 'Aster DM') are listed 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'). The 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is in addition to and does not derogate from, Aster DM's Code for Insider Trading and which deals with dissemination of Unpublished Price Sensitive Information (also referred to as material non – public information).

2. 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) **"Subsidiary"** means a subsidiary as defined under the provisions of the Companies Act, 2013
- f) **"Industry Standards Note"** mean relevant Industry Standards on Regulation 30 of the SEBI Regulations, as issued / notified by SEBI and any such relevant amendments, from time to time.

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

3. 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 and regular till the termination of the specific event or information;
- c) To ensure that the corporate documents and public statements are accurate and do not contain any misrepresentation;
- 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; and
- g) To assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized person under this Policy

4. Authorized Persons

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

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

The Authorized Persons may additionally identify other internal stakeholder(s) from time to time to identify any potential Material Events / Information and report the same to the Authorized Persons.

5. 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.

6. Scope and Applicability

This Disclosure Policy is applicable to all disclosures and communication of Material Events or Information by the Company, which in the opinion of the Board of Directors of the Company, is material.

The SEBI Regulations has divided the material events or information that need to be disclosed broadly into the following categories:

- a) Events specified in Para A - Part A of Schedule III of SEBI Regulations are deemed to be material events and the Company shall make disclosure of such events without the application of materiality guidelines.
- b) Events specified in Para B - Part A of Schedule III of SEBI Regulations shall require disclosure based on application of guidelines for materiality.
- c) Events specified in Para C - Part A of Schedule III of SEBI Regulations shall require disclosure if the event or information viz major development that is likely to affect business.
- d) Without prejudice to the generality of events specified in Para A, Para B and Para C - Part A of Schedule III of SEBI Regulations, the Company may make disclosures of event / information as specified by the Board of Directors, from time to time.

7. Criteria for determining materiality of events or information

The following criteria are to be considered for determining materiality of events or information:

- a) The omission of an event or information which is likely to:
 - i. Result in a discontinuity or alteration of an event or information already available publicly; OR
 - ii. Result in significant market reaction if the said omission came to light at a later date; OR
- b) Omission of an event or information, whose value, or the expected impact, in terms of value, exceeds the lower of the following:
 - i. Two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - ii. Two percent of 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;
 - iii. Five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

However, in certain instances, all of the three parameters specified above may not be relevant to an event. Applying the principle of *Reddendo Singula Singulis* (by assigning each one to each one) to the materiality provisions of Listing Regulations, it can be said that since there are separate thresholds of 2% of turnover, 2% of net worth and 5% of average PAT, each of such values can be applied individually and a particular threshold would be relevant and applicable depending on the nature of the event/ information being assessed.

Accordingly, for every event / information that is specified in Para B - Part A of Schedule III of the SBEI Regulations, reference can be made to the ISF note or any other circular(s), FAQ(s) issued by SEBI or Stock Exchanges from time to time

Further, while computing the expected impact in terms of value of an event, the Company shall refer to the Industry Standards.

- c) In case where the criteria specified above 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.

8. Disclosure of material events or information

The Company shall furnish material events or information to relevant stakeholders on a continuous and immediate basis. The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of Regulation 30 of the SEBI Regulations as soon as reasonably possible and in any case not later than the following:

- i. Thirty minutes from the closure of the meeting of the Board of Directors and / or Committee(s) in which the decision pertaining to the material event or information has been taken;

Provided that in case the Board of Directors and / or Committee(s) meetings close after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose decisions pertaining to the event or information, within three hours from closure of the meeting:

Provided further that in case the meeting of the Board of Directors and / or Committee(s) is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- ii. Twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- iii. Twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

Provided that if all the relevant information in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-para 8 of Para B of Part A of Schedule III of the SEBI Regulations is maintained in a structured digital database in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the disclosure with respect to such claims shall be made to the stock exchanges within seventy two hours of receipt of notice by the Company.

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of SEBI LODR shall be made within such timelines.

In case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.

The Company shall, with respect to disclosures referred to in the SEBI Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.

The Company, while disclosing material information which is disclosable under Regulation 30(13) of the SEBI Regulations with respect to such communications, it shall not be required to disclose confidential and sensitive information, including proprietary information. A summary of key elements of such communication in format specified under the Industry Standards shall be sufficient compliance.

The Company shall disclose all events or information with respect to its subsidiary(ies) to the extent the event or information is material for the Company. The criteria for disclosure for this reporting would be the same as stated above.

9. Guidance on verification of market rumors subject to material price movement

The Company shall confirm, deny or clarify, upon material price movement as may specified by stock exchanges/ SEBI, any reported event/ information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event/ information is circulating amongst the investing public within the timelines specified under law. The confirmation/ denial/ clarification shall be made as per regulation 30(11) of the SEBI Regulations, as amended from time-to-time, circulars/ notifications issued by SEBI/ stock exchanges in this regard and in accordance with relevant Industry Standard Note on verification of market rumours.

The requirements under Regulation 30(11), in respect of confirmation/ denial/ clarification of market rumours, are only applicable to market rumours that are reported in the specified 'mainstream media'. It shall not be applicable to market rumours that are vague or general in nature.

Further, the Promoter, Director, Key Managerial Personnel or Senior Management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the requirements under regulation 30(11) of the SEBI Regulations and the Company shall disseminate the response received from such individual(s) promptly to the stock exchanges.

Further, the Industry Standards provides that the Board of Directors of the Company shall identify additional foreign jurisdictions where the Company has material business operations, if any, along with list of English business / financial news sources from such jurisdictions which needs to be tracked by the Company to comply with requirements of verification of market rumour.

For this purpose, the Company is considered to have material business operations in foreign jurisdiction if meets the following criteria:

- i. Revenue generated from the foreign subsidiary during the relevant financial year exceeds 10% of the consolidated revenue as per the last audited financial statements of the Company; OR
- ii. Net-worth of the foreign subsidiary of the Company exceeds 10% of the consolidated net-worth as per the last audited financial statements of the Company.

The KMP shall identify the foreign jurisdictions where the Company is considered to have material business operations in foreign jurisdiction and the list of English business / financial news source in the identified foreign jurisdictions for the purpose of rumour verification, subject to approval of Board of Directors.

10. Obligations under the Policy

Any event or information specified in Para-A – Part A of Schedule III of SEBI Regulations, 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.

11. Disclosure requirements for certain types of agreements binding the Company

All the parties to the agreements specified in clause 5A of Para A – Part A of Schedule III to SEBI Regulations, shall inform the Company about the agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.

12. 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.

The Authorized Person may review the Policy from time to time. Any material changes to the Policy (i.e., changes made to the Policy for reasons other than those required by the amendment of law) shall be made subject to approval of the Board of Directors.

Any amendments to the SEBI Regulations and Industry Standards, shall mutatis mutandis, be deemed to have been incorporated in this Policy.
