

KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED

**POLICY FOR DETERMINATION OF MATERIALITY THRESHOLD FOR DISCLOSURE OF
EVENTS OR INFORMATION**

POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES

1. PREAMBLE AND OBJECTIVE:

The Board of directors of the Krishna Institute of Medical Sciences Limited (“**Company**”) in pursuance of Regulation 30 (4)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable provisions (including any statutory enactments/ amendments thereof), adopted the policy for determination of materiality threshold for disclosure of events or information to disclose events or information (collectively called “**Events**” and such policy “**Policy**”) which, in the opinion of the board of directors of the Company (“**Board**”), are material vide its Board meeting held on 22.02.2017, amended vide its Board meeting held on 25.05.2021, and further amended vide its Board Meeting held on 07.08.2023.

2. EFFECTIVE DATE

The Policy shall be effective from the date of listing i.e. 28.06.2021 and the amendments, shall be effective from July 14, 2023.

3. TYPE OF INFORMATION

The information covered by this Policy shall include “information related to 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 materiality on the following events/information.

- A. Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.
- B. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on the application of materiality criteria.
- C. 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

4. AUTHORISED PERSONS

The Company Secretary & Compliance Officer will be the custodian of the disclosure process. In the event of the absence of the Company Secretary & Compliance Officer on account of vacancy, leave, or temporary inaccessibility for any reason, his powers and functions, for the compliance of this Policy, shall be undertaken by the CFO of the Company (both Compliance Officer and CFO of the Company are hereinafter individually referred to “**Authorised Officer**”).

The Authorised Officer shall have the powers and responsibilities for determining the material events or information:

- (i) To take a view on the materiality of an event that may qualify for disclosure and resolve any computation and interpretation issues whilst making the materiality assessment.
- (ii) To determine the appropriate time at which the disclosures are to be made to the stock exchanges, based on an assessment of the actual time of occurrence of an Event to be reported.
- (iii) To review and finalize the details to be disclosed, in consultation with the Managing Director and Chief Executive Officer of the Company (“**MD & CEO**”).
- (iv) To make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- (v) To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time, and contents of disclosure for such matters
- (vi) To formulate operational guidelines for the deployment of this Policy.

5. DISCLOSURE PROCESS

- (i) Any Event purported to be reported under Regulation 30 of SEBI Listing Regulations shall be informed to the Authorised Person on an immediate basis upon occurrence, with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other Event, even if not covered under the SEBI Listing Regulations but is potentially of price sensitive nature or non-disclosure of which would result in discontinuity or alteration of publicly available information or is likely to result in a significant market reaction if disclosed at a later date, must also be informed, for further evaluation to the Authorised Person.
- (ii) The Authorised Person will be responsible for ascertaining whether an Event is to be reported on the basis of the nature of information, the applicability of deeming provisions, relevant impact in terms of discontinuity of market information, and materiality. The secretarial, finance, and compliance teams shall assist the Authorised Person in such assessment.
- (iii) After evaluation, the Authorised Person shall issue a suitable disclosure notification to the stock exchanges, in consultation with the MD & CEO.
- (iv) The Company shall use the electronic facilities provided by the stock exchanges for dissemination in the first instance. Information may subsequently also be disclosed via other media, including the press, website, and direct email.
- (v) Statutory timeframes for disclosure shall be adhered to and delay, if any, should be sufficiently explained along with the disclosure.

- (vi) Regular updates, where relevant, shall be made with relevant explanations.

6. MATERIALITY ASSESSMENT

The materiality of an Event must be determined on a case-to-case basis depending on specific facts and circumstances relating to it. Such determination shall be done on both qualitative and quantitative grounds. The primary approach however shall be qualitative. The criteria given hereunder shall be used as a guide or reference for determining materiality and arriving at the overall decision on whether to report the Event by the Authorized Officer. These criteria shall apply to Events specified in Para B of Part A of Schedule III of the SEBI Listing Regulations only.

Qualitative criteria - The Company shall apply the qualitative criteria for materiality assessment as defined under SEBI Listing Regulations as below:

1. The omission of an Event, which is likely to result in discontinuity or alteration of already available publicly; or
2. The omission of an Event, which is likely to result in a significant market reaction if the said omission came to light at a later date;
3. In the case where the criteria specified in sub-clauses (1) and (2) of the qualitative approach and all clauses of the quantitative approach are not applicable, an Event may be treated as being material if, in the opinion of the Board, it is considered material.

Quantitative criteria- The Company shall apply the following quantitative criteria for materiality assessment. The following will be the materiality criteria:

An Event would be considered material if the omission of an Event whose value or expected impact in terms of value, exceeds the lower of the following:

- i. 2% of turnover, as per the last audited consolidated financial statements of the Company;
- ii. 2% of net worth, as per the last audited consolidated financial statements of the Company except in case of the arithmetic value of the net worth is negative;
- iii. 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

Any transaction exceeding the lower of i, ii, or iii above, will be considered for the above purposes.

7. TIMELINES FOR DISCLOSURE

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 as soon as reasonably possible and in any case not later than the following:

- i. 30 (thirty) minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;
- ii. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- iii. 24 (twenty-four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity;

8. AVAILABILITY OF DISCLOSURES

All disclosures made under Regulation 30 of SEBI Listing Regulations shall be available on the Company website for a minimum period of 5 years and will thereafter be archived.

9. POLICY REVIEW

The Board may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of the applicable law dealing with the related party transactions, such applicable law in force from time to time shall prevail over this Policy.

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