



## **DONEAR INDUSTRIES LIMITED**

### **POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENT**

#### **Objective:**

1. As per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Regulations"), the Company is required to frame a policy for determining materiality of events and information that needs to be discussed to the Stock Exchanges.
2. The objective of this Policy is to evaluate materiality of any event/ information and ensure timely and accurate dissemination of the same to the Stock Exchanges.

#### **Classification of Material Events/ Information**

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 application of Materiality Criteria.

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.

#### **Criteria to be applied for determining materiality:**

Materiality will be determined on a case-to-case basis depending on the facts and the circumstances pertaining to the event or information.

1. An Event/information shall be considered Material if it meets any of the following criteria:
  - i. The omission of an event or information which is likely to:
    - a. result in a discontinuity or alteration of an event already available publicly; or
    - b. result in significant market reaction if the said omission came to light at a later date;
  - ii. Any event or information having a significant risk to the reputation of the

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Company.

- iii. The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
    - a. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
    - b. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
    - c. 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 listed entity.
  - iv. In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed though not required to be statutorily intimated.
2. In case of any confusion with regard to the date of occurrence of event or information for the purpose of informing to the Stock Exchanges, the Company shall decide the same after examining it in light of the Guidance note issued by SEBI in this regard.
  3. In case an event or information is required to be disclosed by the Company in terms of the provisions of this Regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

## **7. Obligations for Disclosure - Relevant Employees**

The President(s), Vice President(s), Head of the Department(s) (HOD) and Finance Head(s) (Responsible Officers) who are responsible for relevant areas of the Company's operations must report to the MD of the Company about any material event or information, including the information specified in Para A and Para B of Part A of Schedule III of the Regulations, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

In case an event is required to be disclosed which is material in nature and is not in the knowledge of responsible officer or comes to his/her knowledge subsequently, the

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responsible officer shall report immediately upon becoming aware of it to the MD.

The MD will then ascertain the materiality of such event(s) or information based on the materiality guidelines. Where the MD is not certain about materiality of event/information, it may refer the matter to the external legal advice. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

The Chairman and Managing Director, Chief Financial Officer and Company Secretary of the Company are severally / jointly authorized for the purpose of making disclosures to stock exchange(s) under this Policy. The details of the person authorized to determine materiality of events/information and making disclosures to the stock exchange(s) under Regulation 30 of the Regulations is also available on the website of the Company.

#### **Disclosure of Events or Information Policy**

The Company is committed to disclosing all material events and information in compliance with the timelines prescribed under SEBI Regulations and relevant circulars issued by SEBI and Stock Exchanges.

The Company shall promptly disclose unpublished price-sensitive information (UPSI) that may impact price discovery. Such disclosures will be made as soon as credible and concrete information becomes available to ensure that the information is generally accessible to the public.

Disclosures of UPSI will be made in a universal and uniform manner through widely circulated media and/or the stock exchanges where the Company's equity shares are listed. Selective disclosure of UPSI shall be strictly avoided.

The materiality of an event or information will be assessed on a case-by-case basis, considering the specific facts and circumstances. This determination shall be based on qualitative judgment exercised by the MD.

#### **Review and Amendment:**

The Board may monitor, review and amend the Policy from time to time.

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