

## POLICY FOR DETERMINING MATERIALITY OF EVENTS

### 1. OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to lay down a criteria for determination of materiality of events or information of the Company and to ensure that such information is adequately disseminated to the Stock Exchanges as and when they take place in the Company in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

### 2. Effective Date

This Policy has been adopted by the Board of Directors of Parag Fans & Cooling Systems Limited ('the Company') at its Meeting held on ..... and the effective date of this policy is.....

### 3. DEFINITION

**"Act"** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

**"Board of Directors"** or **"Board"** means the Board of Directors of Parag Fans & Cooling Systems Limited, as constituted from time to time.

**"Company"** means Parag Fans & Cooling Systems Limited.

**"Key Managerial Personnel"** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

**"Listing agreement"** shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Material Event"** or **"Material Information"** shall mean such event or information as set out in the Schedule or as may be determined in terms of the Regulations. In the Policy, the words, "material" and "materiality" shall be construed accordingly.

**“Material Subsidiary”** shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

**“Policy”** means this Policy on criteria for determining materiality of events or information and as may be amended from time to time.

**“Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

**“Schedule”** means Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

#### **4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

Following are the criteria which shall be applied to determine materiality for the purpose of making disclosure of events specified in Annexure A in terms of the Regulation;

- (a) For points 1 to 9 of Annexure A having an impact of 30% or more of the gross turnover or revenues or total income or 30% of the net worth, whichever is lower, as per the last audited accounts of the Company;
- (b) For Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company involving financial impact of Rs..... or more;
- (c) For Options to purchase securities including any ESOP/ESPS Scheme, if any, amounting to 5% of the post-issue equity capital;
- (d) For Giving of guarantees or indemnity or becoming a surety for any third party in excess of 10 % of the net worth of the Company as per last audited accounts.

#### **5. AUTHORIZATION FOR DETERMINING MATERIALITY**

The Board of Directors of the Company has authorized Chief Executive Officer and/or Company Secretary of the Company severally to determine Materiality of any event or information that has taken place and Company Secretary and Compliance Officer shall make disclosures of the same to stock exchange(s), subject to the provisions of this Policy.

**Contact details:**

**Email:**

**Phone:**

The Company shall disclose the material events first to the Stock Exchange not later than twenty four (24) hours from the occurrence of such event. In case the Company fails to disclose the event within stipulated time, it shall provide an explanation for such delay.

**6. POLICY REVIEW**

The Policy shall be subject to review of the Board and CEO is authorised to amend it suitably as may be deemed necessary in accordance with any regulatory requirements/ amendments.

**7. DISSEMINATION OF POLICY**

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

## **Annexure A**

### **Events which shall be disclosed upon application of the guidelines for materiality:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. 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);
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. 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;
6. 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.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
10. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
11. Options to purchase securities including any ESOP/ESPS Scheme;
12. Giving of guarantees or indemnity or becoming a surety for any third party