

PATELS AIRTEMP (INDIA) LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

As envisaged under SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ('SEBI Regulations')

1. Purpose of the Code

The Securities and Exchange Board of India (SEBI) has formulated the SEBI Insider Trading Regulations (as defined below) to prescribe a legal framework for prohibition of insider trading. In terms of the provisions of SEBI Insider Trading Regulations, every listed company was required to formulate a Code of Fair Disclosure. Accordingly, the Company had formulated this Code of Fair Disclosure to ensure timely and adequate disclosure of Unpublished Price Sensitive Information (**herein after referred to as "UPSI"**), which came into force from 15th day of May, 2015.

SEBI has vide its circular dated 31st December, 2018 has modified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 effective from 1st April, 2019.

2. Definitions

For the purpose of this code, the following terms shall have the meanings assigned to them hereunder.

Capitalized terms used but not defined herein shall have the same meaning as assigned thereto in the SEBI Insider Trading Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under or any other applicable laws or regulations, as the case may be and assigned under the "Code of Conduct for Prevention of Insider Trading in Securities of Patels Airtemp (India) Ltd."

(i) "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(ii) "**Board**" means Board of Directors of the Company.

(iii) "**Code**" or "**this Code**" shall mean this Code of Practices and Procedures for Fair Disclosure of UPSI;

(iv) "**Company**" or "**the Company**" or "PAT" means Patels Airtemp (India) Ltd.;

(v) "**Director**" means a member of the Board of Directors of the Company.

(vi) "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis, such as information published on the website of the stock exchanges. "Generally Available" with respect to information shall be construed accordingly;

(vii) "**Insider**" shall have the meaning ascribed to such term in the SEBI Insider Trading Regulations.

(viii) "**Legitimate Purpose**" shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions under the SEBI Insider Trading Regulations.

(ix) "**SEBI Insider Trading Regulations**" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

(x) "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

(xi) "**Unpublished Price Sensitive Information**" means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available is likely to materially affect the price of the Securities and shall, ordinarily include but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (ii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

The provisions of this Code have to be read along with the Insider Trading Regulations and if there is any inconsistency / contradiction between the two, the provisions of the SEBI Insider Trading Regulations or any other applicable laws, rules and regulations shall prevail.

3. Authorized Persons

Authorized Persons shall be the following persons who shall deal with the dissemination and disclosure of UPSI and authorized to communicate with the Investors/Media :

- (i) Chairman;
- (ii) Managing Directors
- (iii) Whole-time Directors
- (iv) Chief Financial Officer (CFO)

The Company Secretary in co-ordination with the above Authorised Persons shall disseminate / disclose the information to the stock exchanges where the Securities of the Company are listed.

4. Principles of Fair Disclosure

The Company shall ensure:

- (i) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

- (ii) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- (iii) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- (iv) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- (v) Information shared with analysts and research personnel is not UPSI.
- (vi) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- (vii) Handling of all UPSI on a need-to-know basis.

5. Overseeing and co-ordinating disclosure

- (i) The Authorised Persons would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the SEBI Insider Trading Regulations so as to avoid selective disclosure.
- (ii) The Authorised Persons shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of UPSI to Stock Exchange(s) where PAT Securities are listed, analysts, shareholders and media, and educating employees on disclosure policies and procedure.
- (iv) If UPSI is accidentally disclosed without prior approval of Authorised Persons, the person responsible shall inform the Authorised Persons immediately. The Authorised Persons will then promptly disseminate the information so as to make such information generally available.

6. Unpublished Price Sensitive Information on need to know basis

Unpublished Price Sensitive Information shall be handled on a need to know basis, i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and shall not be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations. Any person in receipt of unpublished price sensitive information pursuant to a 'legitimate purpose' shall be considered an 'insider' for the purposes of SEBI Insider Regulations and maintain confidentiality of such unpublished price sensitive information in compliance with the SEBI Insider Regulations.

7. Responding to market rumours

The Authorised Persons shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, if required.

8. Handling of unanticipated questions

The Company should be careful when dealing with Analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be noted and a considered response given later. If the answer includes price sensitive information, then it should be made generally available before responding.

9. Medium of disclosure/dissemination

- (i) The Company shall ensure that disclosure to Stock Exchange(s) where PAT Securities are listed is made promptly.
- (ii) Disclosure/dissemination of information may also be done through various media, if require, so as to achieve maximum reach and quick dissemination.
- (iii) The Company may also facilitate disclosure through the use of its official website.

10. Policy for determination of "Legitimate Purpose"

The Policy for determination of "Legitimate Purposes" is annexed and forms part of this Code.

11. Modification and Amendments

PAT reserves all right to modify and/or amend this Code of Fair Disclosure at any time. This Code of Fair Disclosure and subsequent amendment(s) thereto, shall be promptly intimated to the stock exchanges where the Securities of the Company are listed.

Annexure

Policy for Determination of "Legitimate Purposes"

1. This Policy is effective from 1st April, 2019.

The Policy forms part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". This Policy shall be strictly adhered to by every Insider of the Company.

2. Communication of UPSI pursuant to Legitimate Purpose

"Legitimate Purpose" shall include sharing of UPSI in the ordinary course of business, on a need-to-know basis, by an Insider with:

- (i) Designated persons;
- (ii) Partners;
- (iii) Collaborators;
- (iv) Lenders;
- (v) Customers;
- (vi) Suppliers;
- (vii) Merchant bankers;
- (viii) Legal advisors;
- (ix) Auditors;
- (x) Insolvency professionals;
- (xi) Other advisors or consultants;
- (xii) Credit rating agencies;
- (xiii) Bankers;
- (xiv) Registrar & Share Transfer Agent
- (xv) Such other person as may be decided by the Authorised Persons from time to time;

provided that such sharing has not been carried out to evade or circumvent the prohibition of the Insider Trading Regulations.

3. Conditions for sharing of UPSI

Any person in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons which would inter alia include the following:-

- (i) The information shared is in the nature of UPSI.
- (ii) To maintain confidentiality of such UPSI and not to disclose such UPSI except in compliance with Insider Trading Regulations.
- (iii) Not to trade in securities of the Company while in possession of UPSI.
- (iv) The recipient shall obtain the Company's prior written consent in case the information provided to such recipient is to be used by such recipient for a purpose other than the Legitimate Purpose for which the Company had provided the UPSI and such other purpose is also a Legitimate Purpose.

4. Trading when in possession of UPSI

When a person who has traded in securities has been in possession of UPSI, his trade(s) would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

5. Maintenance of Digital Database

The Company shall maintain a structured digital database of the persons with whom UPSI is shared, as required under the Insider Trading Regulations. The database shall inter alia contain the names of the persons or entities with whom the information is shared under the Insider Trading Regulations along with the Permanent Account Number ("PAN") or any other identifier authorized by law where PAN is not available.

6. Penalties and Fines applicable in case of violation of the Policy

Any sharing of UPSI, other than in compliance with the Policy and the Insider Trading Regulations, would be construed as a violation. The onus lies on the insider to prove to the contrary.

In case of any violation of this Policy, disciplinary action would be taken by the Company. The Company shall also inform SEBI about the violation.

7. Policy Adherence Responsibility

The responsibility for adherence to this Policy vests entirely with the person who is sharing the UPSI as well as the recipient of the UPSI.

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