

PATELS AIRTEMP (INDIA) LIMITED

**POLICY FOR DETERMINATION AND DISCLOSURE OF
MATERIALITY OF AN EVENT OR INFORMATION**

(REVISED W.E.F. 20TH JUNE, 2020)

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ISO 9001 : 2015 COMPANY



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MEMBER OF : HTRI - USA
CIN NO. L29190GJ1992PLC017801

PATELS AIRTEMP (INDIA) LIMITED **(CIN NO: L29190GJ1992PLC017801)**

POLICY FOR DETERMINATION AND DISCLOSURE OF MATERIALITY OF AN EVENT OR INFORMATION

This Policy for determination and disclosure of 'Materiality of an Event or Information' has been framed in compliance with the provisions of clause 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations], becoming effective from December 1, 2015.

This Policy will guide the authorised persons to determine the materiality of an event or information as and when applicable, which will govern the framework of such disclosure.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of any definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made / issued thereunder, from time to time.

Background:

Patels Airtemp (India) Limited (the Company) is a public company, listed on the BSE Limited. The Company is committed to responsible corporate governance, including keeping the market and stakeholders fully and promptly informed about material developments in the business and any rumors or information in the market. Accordingly, the Board of Directors of the Company has endorsed this Policy for determining and disclosing materiality of an event or information as a part of Company's compliance and corporate governance under Listing Regulations framework.

Purpose of this policy:

The purpose of this Policy is to ensure that communications to the Stock Exchanges and to Stakeholders are made in a timely manner;

- are factual and statements of opinion and
- are not false, misleading or deceptive;
- do not omit disclosure of any material information; and
- are expressed in a clear manner bringing facts that allow stakeholders to assess the impact of the information, while making investment decisions.

Basic principles of disclosure:

The Company shall comply with the following four basic principles while engaging in the timely disclosure of material information:

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- Transparency: Disclose information in accordance with the facts regardless of its content.
- Timeliness: Disclose information in a timely manner and without delay.
- Fairness: Endeavor to ensure that information is transmitted fairly to its various stakeholders.
- Continuity: Ensure continuity of the contents of the information disclosed.

Sources of obligations:

The sources of legal and governance obligations behind this Policy include Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") deals with disclosure of material events by the Company whose equity and convertible securities are listed. The Company is required to make disclosure of events specified under Part A of Schedule III of the Listing Regulations, which are deemed to be material events or information.

Continuous disclosure obligations:

The Listing Regulations requires that Company immediately notify the Stock Exchanges once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of any shares of the Company (Material Information).

Continuous disclosure is a mandatory obligation under the Listing Regulations which divide the events that need to be disclosed broadly in two categories.

The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Listing Regulations, 2015.

All the events as specified in Para A of Part A of Schedule III be disclosed to Stock Exchanges, or information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information; Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, an explanation for Policy for Determination and Disclosure of Materiality of an Event or Information delay shall also be provided along with the disclosure; Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within 30 minutes of the conclusion of the Board Meeting.

Para B of Part A of Schedule III indicates the events that should be disclosed by the listed entity, if considered material by the Board of Directors for which powers has been delegated to few authorised person by the Board to determine the test of materiality of any event or information.

Criteria for determination of materiality of events / information:

Chairman & Whole-time Director, Managing Director(s) and Whole-time Directors (Authorised Persons) shall consider the following criteria for determining materiality of events / information:

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- the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; and
- 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 Authorised Persons of the Company, the event / information is considered material.

The Board of Directors of the Company has framed this policy for determination of materiality based on above criteria.

Delegation of powers to Authorised Persons:

The Board of Directors of the Company is ultimately responsible for ensuring that effective systems are in place to maintain compliance with the continuous disclosure obligations of the Listing Regulations.

The Board of Directors of the Company has delegated to the Authorised Persons day-to-day oversight of Company's disclosure obligations, who shall direct the Company Secretary and the Compliance Officer for disclosure of event or information to the Stock Exchanges, if they considered it to be material.

The above Authorised Persons shall be responsible for:

- ensuring appropriate systems and controls are in place to communicate, collect, verify and review potentially Material Information;
- reviewing potentially Material Information and determining what information must be disclosed;
- seeking supporting materials for verifying information, where necessary;
- ensuring that all announcements to the Stock Exchanges are factual, complete, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the Material Information when making investment decisions; and
- monitoring Company's compliance with continuous disclosure obligations.

Upon notification of potentially Material Information, the Authorised Persons reviews the event / information and forms an opinion on whether the event or information shall be disclosed to the Stock Exchanges or it is not material looking to the size of the Company and decide it does not require any disclosures to the Stock Exchanges.

When the Authorised Persons has determined that disclosure is required as per the provisions of Listing Regulations, an announcement will be made to the Stock Exchanges and shall be posted on the website of the Company immediately following acknowledgement from the Stock Exchanges that the announcement has been released to the market.

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Communications with the Stock Exchanges and Media:

The Authorised Persons or Company Secretary and the Compliance Officer of the Company is responsible for communications with the Stock Exchanges ensuring that Company's announcements are released to the Stock Exchanges promptly in accordance with the Listing Regulations.

Consequences for breach of the Continuous Disclosure and Communications Policy:

The Board of Directors of the Company believes that timely disclosure of an event or information shall be made to the Stock Exchanges.

Non-compliance with the timely disclosure obligations set out in this Policy may constitute a breach of the Listing Regulations, which can result in the consequences like fine, penalty, suspension of trading in the Company's securities and freezing of shares of the promoters by the Exchange as stipulated in the Listing Regulations, 2015.

Review of this policy:

In the circumstances, any amendments are made in the provisions of the Companies Act, 2013 or Listing Regulations, which prescribe any provisions in this policy inconsistent with the Act or Regulations, then the provisions of the respective Act or Regulations shall prevail over this policy and the provisions in the policy shall be modified at an appropriate time.

This policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Board of Directors.

Related documents:

This Policy should be read in conjunction with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

Guidance on when an event/information has occurred.

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend up on the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

2.1. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

2.2. In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

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