



COOL CAPS INDUSTRIES LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Framed under sub-regulation (1) of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

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INDUSTRIES

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1. PREAMBLE:

The Board of Directors ("Board") of Cool Caps Industries Limited ('CCIL' or 'Company') has, pursuant to Regulation 8(1) read with Schedule A of the PIT Regulations, adopted this Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (hereinafter referred to as "Code").

2. OBJECTIVE OF THE CODE:

This Code is formulated by the Company to prevent misuse and ensure timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') and to maintain uniformity, transparency and fairness in dealing with the stakeholders.

3. DEFINITION:

"Act" means the Securities and Exchange Board of India Act, 1992.

"Board" means Securities and Exchange Board of India.

"Board of Directors" means the Board of Directors of "Cool Caps Industries Limited".

"Code" shall mean this Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information, as amended from time to time.

"Company" means "Cool Caps Industries Limited".

"Connected person" means -

- i. any person who is or has, during the six months prior to the concerned act, been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company, whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established -
 - a) a relative of Connected persons specified in clause (i); or
 - b) a holding company or associate company or subsidiary company; or
 - c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - e) an official of a stock exchange or of clearing house or corporation; or
 - f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or;

- i) a banker of the Company; or
- j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his relative or banker of the Company, has more than ten per cent. of the holding or interest.
- k) a firm or its partner or its employee in which a connected person specified in clause (i) above is also a partner.
- l) a person sharing household or residence with a connected person specified in clause (i) above.

“Designated Persons” or “DP” shall be specified by the Board of Directors of the Company, in consultation with the Compliance Officer, to be covered under this Code, on the basis of their role and functions in the Company and the access such role and functions would provide them to access of unpublished price sensitive information in addition to their seniority and professional designation and shall include:

- a) Promoters of the Company;
- b) Directors of the Company;
- c) Chief Executive Officer (CEO) of the Company and its material subsidiaries;
- d) Employees up to two levels below the CEO or Managing Director of the Company and its material subsidiaries irrespective of their functional role in the Company or ability to have access to unpublished price sensitive information;
- e) Key Managerial Personnel of the Company and its material subsidiaries;
- f) Executives working in the secretarial department of the Company;
- g) Executives at Manager level & above in Accounts & Finance department of the Company and its material subsidiaries;
- h) Secretaries to all Directors of the Company;
- i) Employees of the Company and its material subsidiaries designated on the basis of their functional role or access to unpublished price sensitive information

Note:

- i. Based on changes to an individual's scope of responsibility or or access to unpublished price sensitive information, the Compliance Officer, with the approval of the Managing Director, may add or remove any person from the list of Designated Persons.
- ii. “Material Subsidiary” shall have the same meaning as defined in clause (c) of sub-regulation (1) of regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

“Generally available Information” means information that is accessible to the public on a non-discriminatory basis and shall not include unverified events or information reported in print or electronic media.

Note: Information published on the website of a stock exchange, would ordinarily be considered as generally available.

"Insider" means any person who is:

- a) a Connected person; or
- b) in possession of or having access to unpublished price sensitive information.

Note: It may be clarified here that anyone in possession of or having access to unpublished price sensitive information should be considered an "Insider" regardless of the manner in which such person came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may

demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

“Unpublished price sensitive information” or “UPSI” 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 including but not restricted to, information relating to the following:

- i. Financial results;
- ii. Dividends;
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- v. Changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- vi. change in rating(s), other than ESG rating(s);
- vii. fund raising proposed to be undertaken;
- viii. agreements, by whatever name called, which may impact the management or control of the company;
- ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- x. resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- xii. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (ix) above:

- a. ‘Fraud’ shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. ‘Default’ shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable

Note: Words and expressions used and not defined in this Code shall have the same meaning as defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder.

4. **CODE:**

4.1 **Communication or procurement of UPSI:**

- a. No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company or its securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- b. Department heads shall identify all the UPSI available in their respective departments and shall ensure its confidentiality as per the requirement of this Code. Further it is the responsibility of persons with whom UPSI has been shared, to maintain the confidentiality.
- c. Adequate restrictions shall be placed by the Department head on communication or procurement of UPSI.
- d. No UPSI shall be shared with analysts and research personnel.

4.2 **Chief Investor Relations Officer (CIRO):**

Managing Director of the Company shall be designated as Chief Investor Relations Officer ("CIRO"). The CIRO shall deal with uniform and universal dissemination of information and disclosure of UPSI.

4.5 **Need to know basis:**

UPSI shall be handled by the Company on a 'need to know' basis. Such information should be disclosed only to those within the Company who need the information for a legitimate purpose, performance of duties or discharge of legal obligations.

All non-public information directly received by any employee should be reported to the head of his/her department/Compliance Officer immediately.

4.6 **Dissemination of UPSI:**

- a. UPSI may be communicated, provided, or allowed access to any employee other than the designated employee or to third parties if such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- b. Prompt public disclosure of UPSI that would impact price discovery shall be made no sooner than credible and concrete information comes into being in order to make such information generally available
- c. UPSI shall be disseminated universally and uniformly to avoid any instance of selective disclosure. If an Insider selectively, inadvertently or otherwise discloses any UPSI to any person then prompt dissemination of the same shall be made in order to make the information generally available. The CIRO shall be promptly informed of any such inadvertent or unintentional selective disclosure who in consultation with the Compliance Officer shall take appropriate steps in this regard.
Subject to the PIT Regulations, methods of public disclosure of information to ensure uniform distribution shall include either of the following:

- i. Filing with the stock exchanges;

- ii. Distributing through press releases in newspapers or media including electronic media;
 - iii. Any other method that ensures wide distribution of the news such as webcasts and webinars;
 - iv. Uploading the information on the website of the Company.
- d. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
 - e. Appropriate and fair response of queries on news reports and requests for verification of market rumors by regulatory authorities shall be done by the CIRO as per information provided by the Department Heads to whose departments such information pertains to.
 - f. Transcripts or records of proceedings of meetings with analysts, research personnel and other investor relations conferences shall be made available on the official website to ensure official confirmation and documentation of disclosures made.
 - g. An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
 - a) entail an obligation to make an open offer under the takeover regulations¹ where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
 - b) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts;

For the purpose of a) and b) above the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of a) and b) above, and shall not otherwise trade in securities of the Company when in possession of UPSI.

5. **Sharing of UPSI for legitimate purpose:**

- a. **Meaning of legitimate purpose:** The term legitimate purpose include sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchants, lawyers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of the PIT Regulations.
- b. Recipient of UPSI pursuant to legitimate purpose to be an Insider: Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an Insider for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with this Code by the person sharing such information. Further, such persons to whom UPSI has been provided must be sensitized about the PIT Regulations, Code Of Internal Procedures and Conduct for Regulation, Monitoring And Reporting of Trading by Designated Persons and Their Immediate Relatives along with this Code and confidentiality so as to avoid any leakage.
- c. Illustrations of legitimate purpose: In following cases, which are illustrative in nature, sharing of UPSI would be considered as sharing of UPSI for a legitimate purpose:

¹ "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto

- i) Statutory or Government requirement: For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law; Example: Any call for information or query received from Central Government, Reserve Company of India, Securities and Exchange Board of India, Stock Exchanges etc.
- ii) Legal requirement: As part of compliance with applicable laws, regulations, rules and requirements or under any proceedings or pursuant to any order of courts or tribunals; Example: Court of Law, National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.
- iii) Contractual requirement: Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking. Example: Due-diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.
- iv) Auditing purpose: For audit by statutory, internal, concurrent, secretarial or management auditors as per the scope of audit.

6. **Limitation, review and amendment.:**

In the event of any conflict between the provisions of this Code with the PIT Regulations, the provisions of the PIT Regulations shall prevail over this Code. Any subsequent amendment / modification to the PIT Regulations shall automatically apply to this Code. This Code and every amendment thereto shall be promptly intimated to the stock exchanges where Company's securities are listed and shall be published on Company's official website.

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