



## **CHOTHANI FOODS LIMITED (Formerly known as "ASHOK MASALA MART LIMITED")**

### **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

This Code is called Chothani Foods Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "**Code**") and is framed based on the principles of fair disclosure outlined in the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 (the "**PIT Regulations**") and would be effective from October 18, 2016. Words not defined herein shall have the meaning as per the PIT Regulations.

#### **1. DESIGNATION AND ROLE OF CHIEF INVESTOR RELATIONS OFFICER**

- 1.1 The Chief Financial Officer shall be the Chief Investor Relations Officer ("**CIRO**") for the purpose of the Code. The CIRO shall be responsible for dissemination of information and disclosure of unpublished price sensitive information ("**UPSI**").
- 1.2 In the temporary absence of the CIRO for any reason whatsoever, the Managing Director and the Chief Executive Officer shall nominate any other official of the Company to be responsible for dissemination of information and disclosure of UPSI.

#### **2. DISCLOSURES UNDER THE CODE**

- 2.1 The CIRO shall ensure:
  - (a) 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;
  - (b) Uniform and universal dissemination of UPSI to avoid selective disclosure; and
  - (c) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to ensure that this information is made generally available.



- 2.2 It is clarified that information to be termed UPSI should be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities. For the purpose of disclosure, the CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI.
- 2.3 The CIRO shall authorise disclosure or dissemination of UPSI (i) by way of intimation to the stock exchanges, such that further disclosure can be made from the stock exchange websites; (ii) on the official website to ensure official confirmation and documentation; and (iii) in any other manner as may be decided by the CIRO to facilitate uniform and universal dissemination of UPSI.
- 2.4 All communications of UPSI with the stock exchange shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- 2.5 The CIRO shall also be responsible for overseeing the contents of UPSI to be posted on the website of the Company for the purposes of this Code and shall give appropriate directions for the publication of the same. No other person shall be authorised to post any UPSI in the absence of any directions from the CIRO.
- 2.6 To facilitate timely disclosure of UPSI, all employees, designated persons or insiders will be required to communicate any UPSI to the CIRO as soon as credible and concrete information comes into being.

### 3. **GENERAL OBLIGATION OF PRESERVING UPSI**

All employees, directors and insiders of the Company are required to ensure that handling of all UPSI, including onward communication, is done on a need-to-know basis and in line with the any other applicable codes, policies and procedures of the Company, including, specifically, this Code and the PIT Regulations.

### 4. **INFORMATION SHARED WITH SPECIFIC PERSONS**

- 4.1 Only Public information to be provided - The Company shall provide only public information to the analyst/research persons/large investors like institutions. Alternatively, the



information given to the analyst should be simultaneously made public at the earliest.

- 4.2 Recording of discussion - In order to avoid misquoting or misrepresentation, it is desirable that at least two of the Company's representative should be present at meetings with analysts, brokers or institutional investors and the discussion should preferably be recorded.
- 4.3 Handling of unanticipated questions - A listed company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion.
- 4.4 Unanticipated questions may be taken on notice and a considered response given later. If the answer includes unpublished price sensitive information, a public announcement should be made before responding.
- 4.5 Simultaneous release of Information - In event of the Company organizing meetings with analysts, the Company shall make a press release or post relevant information on its website after every such meet.

## 5. **MARKET RUMOURS**

The CIRO shall ensure that appropriate and fair responses are provided to queries on news reports and requests for verification of market rumors by regulatory authorities.

## 6. **HANDLING OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

The Company shall ensure that there is handling of all unpublished price sensitive information on a need-to-know basis and shall be disclosed only where such communication is necessitated due to legitimate purposes.

## 7. **BOARD'S POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES":**

Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, business expansion and diversification, acquisition of stake of other entities, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their



respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

The Board of the Company understands and hereby sets-out, for the purpose of this Code and in relation to handling of all unpublished price sensitive information (“**UPSI**”) of the Company, that if any UPSI is communicated by an insider to its partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, for the purposes of:

- (a) discharging their duties/legal obligations by virtue of their respective role and function and carrying out the day-to-day business activities of the Company, or
- (b) securing the commercial interests of the Company, or
- (c) securing the shareholders’ interests, or
- (d) enhancing/growing the business of the Company, or
- (e) any other activities which are permissible under the applicable laws of India,

in a manner which is in due compliance with the provisions of applicable laws of India, and fully knowing that the purpose for which such UPSI is being communicated is not unlawful (especially not to evade/circumvent the prohibitions of the Regulations), then such communication of the UPSI shall be deemed for ‘legitimate purposes’.

The Company as a matter of policy hereby sets-out that all ‘insiders’ while sharing UPSI under the aforesaid circumstances shall exercise the strictest care, caution and diligence.

Further, such ‘insiders’ sharing the UPSI to its partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants under the aforementioned circumstances, shall duly inform and intimate these recipients in writing that under/for the purposes of the Regulations, they will also be considered ‘insiders’ and shall be bound to maintain confidentiality of the UPSI so shared with them. The Company shall get a ‘Confidentiality/Non-Disclosure Agreement’ executed with them (for enforcement purpose) and a copy of their PAN (Permanent Account Number) card will be obtained and preserved with the Company. They shall further be informed that a database will be maintained by the



Company with their names written, wherein they will be identified as recipients of the UPSI, and the Confidentiality/Non-Disclosure Agreement executed with them and their PAN card copy shall also be preserved by the Company in the said database, in due compliance with the provisions of the Regulations.

The Board of the Company shall create and maintain a digital database which will contain such names of persons to whom the UPSI has been shared and their respective PAN cards. Further, the Board shall put in place mechanisms for maintaining necessary and regular back-ups of this database to ensure that the database is updated from time to time. Further, the Board shall put in place appropriate mechanisms to prevent the said database from being tampered. This digital database shall be secured and such computer files shall have adequate security login and password protection.

#### **8. AMENDMENT**

Any amendment in the Code shall be approved by the Board of Directors of the Company and also intimated to the Stock Exchanges where the securities of the Company are listed.