



## **KOTHARI SUGARS AND CHEMICALS LIMITED**

### **Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

#### **1. Objective**

**Kothari Sugars and Chemicals Limited** (“The Company”) is a Listed Company. The shares of the Company is Listed in The National Stock Exchange of India Limited (NSE), Mumbai. The Securities and Exchange Board of India (SEBI) has brought in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 (“The PIT Regulation”) by publishing the same in the Official Gazette of India on 15<sup>th</sup> January 2015, replacing the old Securities and Exchange Board of India (Prevention of Insider Trading) Regulation, 1992. The PIT Regulation was subsequently amended on 31<sup>st</sup> December 2018. The amended PIT Regulation is applicable to all Listed Companies w.e.f. 01<sup>st</sup> April 2019.

Kothari Sugars and Chemicals Limited being a listed Company, the said PIT Regulations becomes applicable. The PIT Regulation mandates all listed Company to formulate a policy *inter alia* containing a policy for determination of Legitimate Purposes as a part of Code of Fair Disclosure and Conduct formulated under Regulation 8 of PIT Regulations.

#### **2. Scope**

The Policy governs the code of practices and procedures to be followed by the Company for fair disclosure of Unpublished Price Sensitive Information (UPSI). The Policy shall be disclosed to Stock Exchanges and shall also be posted in the Company’s website.

#### **3. Policy**

The Company will adhere to the following principles so as to ensure fair disclosure of events and occurrence that could impact price of its securities in the market:

- (a) The Company shall promptly make public disclosure of unpublished price sensitive information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such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- (b) The Company shall endeavour uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
- (c) The Managing Director of the Company who is to oversee corporate disclosure will be the Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of unpublished price sensitive information. Information disclosure / dissemination may normally be approved in advance by the CIRO. Material events / information will be disseminated as mandated under Regulation 30 of Listing Regulations as amended from time to time.
- (d) The Company shall ensure prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available by disseminating in the form of notification to the Stock Exchange.
- (e) The Company will provide, appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- (f) The Company shall ensure that the information, if any, shared with analysts and research personnel is not one that are unpublished price sensitive information.
- (g) The Company shall develop the best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
- (h) The Company will handle all unpublished price sensitive information on a need-to-know basis for legitimate purposes only.

#### 4. Policy for determination of "Legitimate Purpose":

In compliance with Regulation 3(2A) of the PIT Regulation, the following shall be construed as Legitimate Purpose for sharing of unpublished price sensitive information in the ordinary course of business:

- (a) Sharing of information by an insider with the business partners, collaborators, lenders including Banks and financial institutions, customers and suppliers.
- (b) Sharing of information on need to know basis with Merchant Bankers, Legal Advisors, Auditors, Insolvency Professionals or other Advisors and Consultants.



- (c) Sharing of information by an Insider with any other person in the organization as well as to an outsider shall also be covered while determining the Legitimate Purpose.
- (d) All the UPSI with outsider shall be shared only upon prior approval by the Chief Investor Relations Officer.
- (e) The sharing of information shall not be in contravention of or to evade or circumvent the prohibitions of the PIT Regulation.
- (f) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of the PIT Regulation and Chief Investor Relations Officer / Compliance Officer shall give due notice to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the PIT Regulations. Any person who receives UPSI shall be deemed to have received notice from the Company that he shall keep information so received confidential and use them for legitimate purposes, performance of duties or discharge of legal obligations.
- (g) The Company shall maintain structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared under the PIT Regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

## 5. Enforcement

The amended Policy will come into force effective from 01<sup>st</sup> April 2019.

