

**CODE OF FAIR DISCLOSURE**

**OF**

**ASHNOOR TEXTILE MILLS LIMITED**

**EFFECTIVE FROM 15<sup>TH</sup> MAY 2015**

**(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)**

**ASHNOOR TEXTILE MILLS LIMITED**  
**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF**  
**UNPUBLISHED PRICE SENSITIVE INFORMATION**

**1. PREAMBLE**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, mandates the listed Companies to frame a Code of Practices and Procedures for fair and timely dissemination of unpublished price sensitive information. Accordingly, the Board of Directors of Ashnoor Textile Mills Limited (the Company) has approved and implemented Code of Practices & Procedures for Fair Disclosure of unpublished price sensitive information (the Code).

**2. OBJECTIVES**

The objectives of this Code are:

- I. to lay down general rules for prohibition of insider trading;
- II. to ensure fair and prompt public disclosure of Unpublished Price Sensitive Information; and
- III. to determine “legitimate purpose” for which UPSI may be shared by an ‘insider’ with persons outside the Company (example partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants).

**3. DEFINITIONS**

Any term used but not defined herein shall have the same meaning as assigned thereto in the SEBI Insider 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 thereunder or any other applicable laws or regulations, as the case may be.

**“Connected person”**

- (i) any person who is or has during the six months prior to the concerned act been associated with a 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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) an immediate 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 immediate relative, has more than ten percent of the holding or interest;

**“Designated Persons”** The following class of persons will be treated as Designated Persons for the purpose of the Code:

1. Promoters
  2. All the Directors of the Company
  3. Employees based on functional role and access to UPI - All the officers (Scale I and above) of following departments:
    - Finance and Accounts
    - Strategy
    - Management Information System (MIS)
    - Treasury
    - Risk Management
    - Compliance
    - Stressed Asset Management
    - Audit and Inspection
    - Board Secretariat
    - MD & CEO’s Secretariat
    - Executive Directors’ Secretariat
    - Secretaries of all Chief General Managers (CGMs)/General Managers (GMs) posted at Central Office of the Bank
    - Employees posted at Department of Information Technology (DIT), identified by the Chief General Manager/General Manager (DIT) on quarterly basis based on their access to unpublished price sensitive information.
  4. Employees upto two levels below Board of Directors of the company and its material subsidiary irrespective of their functional role in the company or ability to have access to unpublished price sensitive information.
- The employees referred above in sub-clause (3) and (4) are hereinafter referred to as **“Designated Employees”** for the purpose of the Code.

**“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.

**“Immediate relative”** means any of the following who is either dependent financially on such person, or consults such person in taking decisions relating to trading in

securities–

- a) Spouse
- b) Father
- c) Mother
- d) Brother
- e) Sister
- f) Son (including step-son)
- g) Daughter (including step-daughter)

**“Insider”** means any person who is:

- i) a connected person; or
- ii) 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 how one 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 (UPSİ)”** means any information, relating to 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, acquisition, delisting, disposals and expansion of business and such other transactions;
  - V. Changes in Key Managerial Personnel;
- Information is “non-public” or “unpublished” until it has been widely disseminated to the public or is accessible to the public on a non-discriminatory basis and the public has had a chance to absorb and evaluate it.

#### **4. PROMPT PUBLIC DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The Company will disseminate the Unpublished Price Sensitive Information uniformly and universally without any selective disclosure. The Company will disclose to the Stock Exchanges and disseminate promptly on a continuous basis as soon as credible and concrete information comes into being in order to make such information generally available.

#### **5. Preservation of Unpublished Price Sensitive Information (UPSI)**

- No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Bank or 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.
- Department Heads shall identify all the UPSI available in their departments and shall ensure its confidentiality as per the requirement of this code.
- Adequate restrictions shall be placed by the Department Head on communication or procurement of UPSI.

#### **6. Limited access to Confidential Information**

- All files containing confidential information shall be kept secured under lock and key.
- Confidential documents/files shall be marked “**Confidential**” and access to such documents/files shall be made available on need to know basis.
- Confidential Computer files shall have adequate security of login and Passwords.
- Documents/Files containing confidential information should be deleted/destroyed after its use. Shredders should be used wherever necessary for the destruction of physical files.

#### **7. CHIEF INVESTOR RELATION OFFICER**

The CIO will deal with the dissemination and disclosure of Unpublished Price Sensitive Information. In addition to CIO, the following persons are also authorized to communicate with the Investors/media in co-ordination with the CIO:

- Managing Director;
- CFO; and/or
- Any other person/Director authorized by the Board of Directors from time to time.

The Compliance Officer in coordination with the CIO will disseminate/disclose Unpublished Price Sensitive Information to the stock exchanges where the Securities of the Company are listed.

#### **8. PROMPT DISCLOSURE OF INFORMATION THAT GET DISCLOSE INADVERTENTLY OR SELECTIVELY**

The Company will also promptly disseminate the Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available by informing to the stock exchanges where the Securities of the Company are listed. If any Unpublished Price Sensitive Information is inadvertently disclosed without the consultation of the CIO, the CIO and Compliance Officer should be informed about the same as soon as possible and they may take such action to ensure that such information is generally available.

## **9. Dissemination of Unpublished Price Sensitive Information:**

- Unpublished price sensitive information 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.
- The Company shall adopt a Chinese wall procedure to prevent the misuse of confidential information, which separates those areas of the Company which routinely have access to confidential information.
- Department Heads to satisfy that UPSI is shared only for legitimate purposes among the authorised employees on need to know basis.
- Prior approval from CISO shall be obtained by all the Departments before sharing any Unpublished Price Sensitive Information with any person or entity. CISO shall after approving sharing of such information, send the details viz. nature of UPSI, names of such persons who have shared the information and names of such persons or entities with whom UPSI is shared along with the PAN or any other identifier authorized by law where Permanent Account Number is not available to Investor Services Division, Board Secretariat for updating the database.
- Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Appropriate and fair response of queries on news reports and requests for verification of market rumours by regulatory authorities by Compliance Officer as per information provided by the Department Heads whose departments such information pertains to.
- Transcripts or records of proceedings of meeting with analysts and other investor relations conferences may be made available on the official website to ensure official confirmation and documentation of disclosures made.
- An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would: -
- entail an obligation to make an open offer under the takeover regulations 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
- 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;
- the parties shall be required 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.

## **10. APPROPRIATE RESPONSE TO QUERIES ON NEWS REPORTS**

The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities. The CIO may also decide whether a public announcement is necessary for

verifying or denying rumors and in case it is necessary, the Company will make a public announcement for either verifying or denying the rumors.

**11. Digital Data Base:**

The Compliance Officer (“The Company Secretary of the Company”) under the supervision of Board of the Directors shall maintain, the nature of UPSI, names of the persons who have shared the information, and also the names of such persons with whom information is shared, along with their PAN (or any other identifier where PAN is not available) in a digital database. (Requirement of PAN or any other identifier is not applicable to statutory requisitions). A digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database and non-leakage of UPSI. This database shall be kept confidential and shall not be outsourced.

The Board of Directors shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

**12. INFORMATION SHARED WITH ANALYST AND RESEARCH PERSONNEL**

The Company will ensure that the information shared with analyst and research personnel is not Unpublished Price Sensitive Information.

**13. UNPUBLISHED PRICE SENSITIVE INFORMATION ON NEED TO KNOW BASIS**

Unpublished Price Sensitive Information will be handled on a need to know basis, i.e. Unpublished Price Sensitive Information will be disclosed only to those within the Company who need the information to discharge their duty and will not be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

**14. RECORDS OF PROCEEDINGS OF MEETINGS WITH ANALYSTS AND OTHER INVESTOR RELATIONS CONFERENCES**

The Company will make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official website to ensure official confirmation and documentation of disclosures made.

**15. MODIFICATION AND AMENDMENTS**

The Company 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 and also be replaced at official web site of the Company.

**16. MISCELLANEOUS**

The Company shall ensure the compliance of other applicable provisions of SEBI Insider Regulations in this regard.

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