

PONDY OXIDES AND CHEMICALS LIMITED

Code of Conduct for Prevention of Insider Trading

1. Preliminary

This Code of Conduct is designed to regulate, monitor and report trading by the employees of the company and other connected persons towards achieving compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

2. Short Title

This code may be called the **POCL Code of Conduct for Prevention of Insider Trading**.

3. Definitions

In this code, unless the context otherwise requires:-

“Company” or “POCL” means Pondy Oxides and Chemicals Limited

“Regulations” means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

“Code” or “This Code” means POCL Code of Conduct for Prevention of Insider Trading.

“UPSI” means Un-published Price Sensitive Information

Words and expressions used in this code but not defined shall have the meaning as given in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

4. Effective Date

The Regulations have come into force on the 120th day from the date of its publication in the Official Gazette. Therefore, this Code is framed in accordance with the Regulations and is applicable from May 15, 2015. Securities and Exchange Board of India, vide its Notification dated 31st December 2018, amended the Regulations and the said notification is made applicable from April 1, 2019. Accordingly, in compliance with the amended regulations, the Company has modified its Code and the amended code is applicable from April 1, 2019.

5. Compliance Officer

5.1 The Company Secretary shall be the Compliance Officer for the purpose of the Code. He shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors

5.2 The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors.

5.3 The Compliance Officer shall provide any clarifications with regard to the implementation of this Code. He shall, based on occurrence of specific events detailed in this Code of Conduct, regulate and monitor the Trading Window of the securities of the Company. He shall be responsible for assessment and grant of

approvals to the Trading Plans as formulated by any Designated Person or Insider and monitoring of such trading and notification of the approved Trading Plans to the concerned Stock Exchange. He shall also be responsible for placing status reports, detailing Trading by all Designated Persons, either in their own name or in the name of their Immediate Relatives along with the documents that such persons have executed in accordance with the pre-clearance procedure prescribed under this code to the Board. The Compliance Officer shall provide any clarifications with regard to the implementation of this Code. He may inquire any employee in relation to Trading of securities and handling of UPSI of the Company. The Compliance Officer may require any other persons (law firms, consultants, vendors, customers, bankers etc.) to disclose shareholding and trading in securities of the Company.

5.4 The Compliance Officer shall designate a Senior Official of the Company to act as Compliance officer in his absence.

6. Preservation of price-sensitive information

6.1 All Designated Persons shall maintain confidentiality of all Unpublished Price Sensitive Information coming into their possession or control and shall not communicate, provide or allow access to any Unpublished Price Sensitive Information to any person including any other Insiders.

6.2 To comply with this confidentiality obligation, all Designated Persons shall not inter alia:

(i) Pass on Unpublished Price Sensitive Information to any person directly or indirectly, by way of making a recommendation for the purchase or sale of securities of the Company; or

(ii) Disclose Unpublished Price Sensitive Information to their family members, friends, business associates or any other individual; or

(iii) Disclose Unpublished Price Sensitive Information in public places; or

(iv) Disclose Unpublished Price Sensitive Information to any other employee who does not need to know the information for discharging his or her professional duties;

6.3 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

6.4 Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

(i) an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or

(ii) not attracting 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 the proposed transaction 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.

However, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

7. Chinese Walls and Cross the Wall procedures

7.1 The Compliance Officer shall monitor and regulate the Company's Chinese walls and Cross the wall procedures.

7.2 In general, Chinese Walls separate areas that have access to confidential inside information from those who do not have such access.

7.3 The employees working within an insider area are prohibited from communicating any confidential or inside information to employees in public areas without the prior approval of Compliance Officer.

7.4 Employees within a Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.

7.5 The establishment of Chinese Walls is not intended to suggest that within insider areas material, confidential information can circulate freely. Within insider areas, the need-to-know shall be in effect.

7.6 If an employee/outsider receives inside information from the inside area of the Company, it is treated that the said employee or outsider has crossed the wall. Pursuant to crossing the wall, the employee becomes an insider. Such employee/outsider must be subject to all restrictions and prohibitions as required under this Code of Conduct. An employee is no longer a temporary insider when the inside information is published or no longer significant to the market.

7.7 If any person crosses the wall, the same should be immediately reported to the Compliance Officer. The Compliance Officer shall make sure that all restrictions are imposed on such employee relating to the protection of UPSI.

7.8 The Compliance Officer when satisfied that the insider information is generally available may lift such restrictions imposed on such employee.

8. Need to know

“Need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

9. Designated Persons

The Board of directors have, in consultation with the Compliance Officer specified the designated persons to be covered by such code on the basis of their role and function in the organization. This Code shall be applicable to the designated persons as specified, when such persons have access to unpublished price sensitive information or are reasonably expected to have such access. The list of Designated Persons is enclosed as **Annexure A**. The Designated Persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.

10. Restriction to Buy/Sell Securities by Designated Persons (Trading Window)

Designated persons shall not buy/sell securities of the Company during closure of “Trading window”, i.e. the period during which trading in the securities of the Company is prohibited.

The trading window for following events shall be advised by the Compliance Officer appointed by the Board for the purpose of this Code:

1. Declaration of Financial Results;
2. Declaration of Dividends by the Board (Interim and Final);
3. Change in Capital Structure;
4. Proposal in respect of amalgamation, mergers, takeovers, restructuring ;

5. Proposal in respect of issue of securities by way of public/ rights/ bonus etc. and buyback;
6. Proposal in respect of significant expansion plans or execution of new projects;
7. Proposal in respect of disposal of whole or substantially the whole of the undertaking;
8. Changes in Key Managerial Personnel;
9. Material Event in accordance with Listing Agreement; and
10. Any other information which can be considered to be price sensitive

The Trading window shall be closed from the end of every quarter. .

In respect of other events specified above from (2) to (10), the Compliance Officer shall intimate the Trading Window closure dates.

The Trading Window shall be opened after 48 hours after the information referred above becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

11. Pre clearance of trades

Applicability

- a) Every Designated Person who intends to conduct trading either in his/her own name or in the name of his/her Immediate Relatives
 - (i) beyond the minimum threshold limits mentioned in Clause 11.2 below and
 - (ii) has not submitted a Trading Plan in accordance with Clause 12 of this Code, which has been approved by the Compliance Officer, shall obtain pre-clearance of the transactions as per the pre-trading procedure as described hereunder.
- b) Pre-clearance will not be necessary if the Trading is less than 10,000 (Ten Thousand) Equity Shares of the Company to be traded in a calendar month or less than 25,000 (Twenty Five Thousand) Equity Shares of the Company to be traded in a series of transactions within a Quarter.

Pre-Clearance Procedure

11.3 All Designated Persons required obtaining pre-clearance of the transactions as per the Clause 11.1 shall make a pre-clearance application to the Compliance Officer along with the undertaking which shall be executed in favour of the Company by such Designated Person or his/her immediate relatives in the combined Performa for application-cum-undertaking as prescribed in the **Annexure B** to this Code.

Approval

11.4.1 Immediately on receipt of a pre-clearance application, the date and time of the receipt of the same shall be recorded thereon by the Compliance Officer.

11.4.2 The Compliance Officer shall ensure that the applicant is not in the possession of any unpublished price sensitive information and also not done any contra trade prior to six months from the date of receipt of the application.

11.4.3 The Compliance Officer shall process the said pre-clearance application and if the preclearance application is in accordance with the provisions of this Code, the Compliance Officer shall endeavor to communicate the pre-clearance immediately but not later than 48 (forty-eight) working hours from the time of receiving the application. Trading by the Compliance Officer shall require prior clearance from the Board. No Designated Person shall apply for pre-clearance of any proposed trade when the trading window is closed or if such person is in possession of

unpublished price sensitive information. Application submitted during the period when the trading window is closed shall be invalid and shall be deemed to have been automatically rejected.

11.4.4 Every Approval letter shall be issued in format prescribed in **Annexure C** to this Code. Every Approval shall be dated and valid for a period of 7 (Seven) Trading Days from the date of approval, however such approval shall automatically be deemed to be withdrawn if such period is superseded by closure of the Trading Window. If a Trade is not executed by the Designated Persons pursuant to the approval granted by the Compliance Officer within 7 (Seven) Trading Days, then such Designated Person shall apply for a fresh pre-clearance of the transaction. Such Designated Persons shall file the details of such transactions within 4 (four) days of the execution of the transaction with the Compliance Officer in the format prescribed in **Annexure- D** to this Code. In case the transaction is not undertaken, a report to that shall be filed in the same format as prescribed in Annexure- D to this Code. The Compliance Officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.

Restriction for contra trade

11.5.1 All Designated Persons who buy or sell any number of securities of the Company, shall not enter into a contra trade, i.e. sell or buy any number of securities of the Company during the next 6 (Six) months following the prior transaction.

11.5.2 The Compliance Officer may waive the holding period after recording in writing his/her reasons in this regard, provided that such waiver does not violate the Regulations. In respect of the Compliance Officer, such relaxation shall require prior approval from the Board of Directors.

11.5.3 In the event of the Designated Person executes a contra trade as described in Clause above, inadvertently or otherwise, in violation of the restriction specified in this code, the profits from such a trade shall be liable to be disgorged for remittance to SEBI for credit to Investor Protection and Education Fund administered by SEBI under the Act

12. Trading plans :

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

The Compliance Officer shall review the Trading Plan made as above to assess whether the plan would have any potential for violation of the Regulations and shall be entitled to take express undertakings as may

be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

13. Structured Digital Database to be maintained

The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this code read with Regulations, along with Permanent Account Number or any other identifier authorized by law where PAN is not available.

The said 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.

14. Prevention of Insider trading mechanism

The Company has adopted system of internal controls which mainly consists of the following, to prevent dealing in securities by insiders with misuse of UPSI.

14.1 All employees who have access to the unpublished price sensitive information are identified as designated employee.

14.2 All unpublished price sensitive information shall be identified and its confidentiality shall be maintained by designated employee and others who have knowledge of the unpublished price sensitive information.

14.3 Adequate restriction shall be placed on procurement, communication and sharing of unpublished price sensitive information by designated employee and others who have knowledge of unpublished price sensitive information.

14.4 List of employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreement shall be executed or notice shall be served to all such employees and persons.

14.5 Audit Committee shall review once in a financial year, the process to evaluate effectiveness of the above said internal controls and shall verify that the system for internal control are adequate and are operating effectively and comply with this code read with the Regulations.

15. Powers to the Board

The Board of Directors of the Company shall have the authority to stipulate/ amend such formats as it may deem necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions

not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities within 4 days of execution of transaction to monitor compliance with these regulations.

16. Reporting Requirements for transactions in securities

The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.

17. Disclosure of trading by insiders

- ❖ Disclosure are classified as Initial and continual disclosures. They shall be made in the format specified by SEBI from time to time. Such disclosures shall be maintained by the Compliance Officer for a period of 5 years.

Initial Disclosures:

SN	Disclosure-By Whom	Disclosure-To Whom	What to disclose	When
1.	Every promoter, KMP and Director	Company	Holding of securities of the company as on date of the Regulations taking effect (May 15, 2015)	Within 30 days of these Regulations taking effect.(These Regulations are effective from 120 th day of the date of notification i.e. on and from 15th May, 2015)
2.	Every person on appointment as a KMP or a Director of the Company or upon becoming promoter	Company	Holding of securities of the company as on date of appointment or becoming a promoter	Within 7 days of such appointment or becoming a promoter

Continual Disclosures:

SN	Disclosure-By Whom	Disclosure-To Whom	What to disclose	When
1.	Every Promoter and member of promoter group, Designed Person and Director	Company	No. of securities acquired or disposed of within two trading days of such transaction or a series of transactions over any calendar quarter, aggregating to a traded value in excess of Rs. 10 lakhs.	Within 2 trading days of such transaction

SN	Disclosure-By Whom	Disclosure-To Whom	What to disclose	When
2.	The Company	Stock Exchanges where the securities are listed	Receipt of disclosure or becoming aware of such information	within 2 trading days of the receipt of the disclosure or from becoming aware of such information.

Disclosure by other connected persons:

The Compliance Officer may at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such format as prescriber in **Annexure-E** to this report and at such frequency as may be determined by him.

Annual Disclosure

The designated Person(s) shall be required to disclose their names and Permanent Account Number or any other identifier authorized by law (where PAN is not available) of the following persons to the company on an annual basis and as and when the information changes in format specified in Annexure E:

1. Immediate relatives
2. Persons with whom such designated person(s) shares a material financial relationship
3. Phone, mobile and cell numbers, which are used by them.

The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

18. Penalty for contravention of code of conduct

Employees/officers/directors of the company who violate the code of conduct may be penalized and appropriate action may be taken by the Company. They shall also be subjected to disciplinary action which may include wage freeze, suspension, etc. by the persons required to formulate the code of conduct under sub-regulations (1) and (2) of Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

19. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015

In case it is observed by the persons required to formulate a code of conduct under subregulation (1) and sub-regulation (2) of regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, that there has been a violation of these regulations, they shall inform SEBI promptly.

ANNEXURE A

DESIGNATED PERSONS

The persons falling within the following categories shall be said to be **Designated Persons**, when such persons have access to unpublished price sensitive information or are reasonably expected to have access to such information. They shall be governed by this Code.

Sl.No.	Designated Persons
1.	All Directors and their immediate relatives
2.	All Promoters and their immediate relatives
3.	Company Secretary/Compliance Officer/ Chief Financial Officer and his/her immediate relatives
4.	Internal Auditors, Statutory Auditors, Consultants, Advisors, Bankers
5.	All employees of Accounts and Secretarial Department

Annexure B
Application for Pre-clearance

(For use by the Designated Employees and their immediate relatives in case of trading in the securities of Company as prescribed in the Code)

The Compliance Officer,
Pondy Oxides and Chemicals Limited

Dear Sir,

I am desirous of trading in the below-mentioned securities of the Company in my own name or behalf of my immediate relatives (write name of relative and relationship) and seek your approval as under:

No of Securities	Market Price	Mode of acquisition/ Purchase/ Sale – Physical/ Demat/ Other	Date by which the trade is proposed to be executed	Folio No. or DP ID/ Client ID along with the name of the Depository	Present Holdings (No. of Shares)	
					Physical	Demat

In relation to the above, I undertake that:

- a) I have no access to nor am I in possession of any un-published price sensitive information at the time of signing this undertaking.
- b) In case, I get access to or receive any “Price Sensitive Information” after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from trading in shares till such information is made public.
- c) I have not contravened the Company’s Code of Conduct, as notified by the Company from time to time.
- d) In case the traded value exceeds the threshold limit as prescribed in the Code, disclosure required under this code shall be furnished by me.
- e) I have made full and true disclosure in this application.

Signature :
Name :
Designation:
Department:
Date :
Place :

ANNEXURE C
FORMAT FOR PRE- CLEARANCE ORDER

To
Name : _____

Designation : _____

Place : _____

Pre-Dealing Approval/Disapproval-Your application

This is to inform you that your request for dealing in _____ (nos) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 4 days from the date of transaction/deal. In case the transaction is not undertaken, a 'Nil' report shall be necessary.

Yours faithfully,
For **Pondy Oxides and Chemicals Limited**

Compliance Officer K.Kumaravel

Date: _____

Encl: Format for submission of details of transaction

ANNEXURE - D
FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS
(To be submitted within 4 days of transaction / dealing in securities of the Company)

The Compliance Officer,
Pondy Oxides and Chemicals Limited
KRM Center, 4th Floor,
2, Harrington Road,
Chetpet, **Chennai – 600 031**

Dear Sir,

Sub: Details of Pre-Approved Transactions Ref: Your Approval Letter No _____
dated _____

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on ____ (date)

Name of holder	** First holder or Joint holder	No. of securities dealt with	Bought/sold/ subscribed	DP ID/Client ID Folio No	Price (Rs.)

** "F" for first holder, "J" for joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (Applicable in case of purchase/ subscription).

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Date: _____

Signature : _____

Name : _____

Designation : _____

ANNEXURE – E

ANNUAL DISCLOSURE OF SECURITIES HELD BY DESIGNATED PERSON AND THEIR IMMEDIATE RELATIVES

The Compliance Officer,
Pondy Oxides and Chemicals Limited
KRM Center, 4th Floor,
2, Harrington Road,
Chetpet, **Chennai – 600 031**

Dear Sir,

Sub: Disclosure of Trading and holding of Securities of Pondy Oxides and Chemicals Limited for the year ended

Pursuant to POCL Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information, I hereby disclose trading and holding of securities of the Company for the year ended

Name, Address, PAN and Mobile No of the Designated Person	DP ID/Client ID / Folio No.	No. of Securities held at the beginning of the year	No. of securities bought during the year	No. of securities sold during the year	No. of Securities held at the end of the year

Details of my immediate relatives are as under

“immediate relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

Name of the Immediate Relative and relationship	Relationship	DP ID/Client ID / Folio No	PAN	Mobile No	No. of Securities held at the end of the year

I hereby declare that the above details are complete and correct. I further declare that I have complied with the provisions of Code. I am fully aware about consequences in case of any non-compliance by me and shall be responsible for any action/inaction.

Date: _____

Signature: _____

Name: _____

