



# **POCL ENTERPRISES LIMITED**

## **CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

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

**(effective from April 01, 2019)**

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

### **1. PREFACE**

- 1.1 Securities and Exchange Board of India in its endeavor to protect the interests of investors has notified SEBI (Prohibition of Insider Trading) Regulations, 2015 (herein referred to as “Regulations”) on 15<sup>th</sup> January, 2015. The Regulations shall come into force with effect from 120<sup>th</sup> Day from the date of its notification in the Official Gazette i.e. w.e.f. from 15<sup>th</sup> May, 2015.
- 1.2 Regulation 8 of the said Regulations provides for the formulation of a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” (hereinafter referred to as the “Code”).
- 1.3 The Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. To achieve these objectives and in compliance with the aforesaid SEBI regulations, POCL Enterprises Limited hereby notifies this Code.
- 1.4 This Code shall be applicable to Promoters, Directors, Officers, Employees, Connected persons of the Company with effect from 15<sup>th</sup> May, 2015.
- 1.5 Any subsequent modification and/or amendments brought about by SEBI in the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.
- 1.6 Securities and Exchange Board of India, vide its Notification dated 31<sup>st</sup> December 2018, amended the Insider Trading Regulations and the said notification is made applicable from April 1, 2019. Accordingly, in compliance to the amended regulations, the Company modified its policy on fair disclosure of unpublished price sensitive information and the same shall be applicable from April 1, 2019.

### **2. CODE OF FAIR DISCLOSURE**

This code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact the price discovery in the market for the securities of the Company. To achieve this objective, the Company and the members of the Board, Officers, all employees and connected persons shall adhere to the following principles of fair disclosure of unpublished price sensitive information in letter as well as in spirit:

- 2.1 There shall be prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 2.2 The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.

- 2.3 The Company Secretary/ Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- 2.4 There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 2.5 Appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 2.6 The Board of Directors shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- 2.7 Best practices shall be developed and followed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- 2.8 All unpublished price sensitive information shall be handled on a need-to-know basis.

### **3. LEGITIMATE PURPOSE**

An Insider can share the unpublished price sensitive information as an exception for legitimate purposes as per its "Policy for Determination of Legitimate Purposes" (**Annexure A**), provided it is not shared to evade or circumvent the prohibition under SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **4. LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The Board has formulated written policy for initiating appropriate inquiries on becoming aware of leak/suspected leak of unpublished price sensitive information (**Annexure B**)

### **5. POWER OF BOARD OF DIRECTORS**

- 5.1 The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Code and further to strengthen the objective of good corporate governance.
- 5.2 The decision of the Board of Directors of the Company with regard to any or all matters relating to this Code shall be final and binding on all concerned.

### **6. DISCLOSURE OF THE CODE ON PUBLIC DOMAIN**

This Code shall be published on the official website of the Company.

## **ANNEXURE A**

### **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

*[Pursuant to Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

#### **1. PREFACE**

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

#### **2. OBJECTIVE**

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities.

#### **3. DEFINITION**

**a) Legitimate Purposes** - shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Secretarial and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with whom UPSI is shared

**b) Insider** - Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

#### **4. ILLUSTRATIVE LIST WHERE SHARING OF UPSI WILL BE CONSIDERED AS LEGITIMATE PURPOSE**

In the following cases, which is illustrative in nature, sharing of UPSI will be considered as for legitimate purpose

- For investigation, inquiry or for request of information by statutory authorities such as Ministry of Corporate Affairs, Registrar of Companies, Stock Exchange, Securities and Exchange Board of India, Income Tax Department etc.,
- As a part of compliance with the applicable laws, rules, regulations.
- Arising out of any contractual obligations or arrangement entered into by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.
- Arising out of business requirement including requirement for the purposes of promoting the business and strategies of business.
- Sharing the information with intermediaries and fiduciaries such as Auditors, Merchant Bankers, Management Consultants, Partners, Collaborators or Other Advisors or Consultants in order to avail professional services from them.
- For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defense to be prepared for court cases.

#### **5. DIGITAL DATABASE**

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

#### **6. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

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, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information

#### **7. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire policy with a new policy. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this policy.

## **ANNEXURE B**

### **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

#### **1. INTRODUCTION**

This Policy and Procedure for Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information ("Policy") has been formulated by POCL Enterprises Limited ("Company") in pursuance of Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended ("Regulations") and shall be effective from 01<sup>st</sup> April, 2019.

#### **2. PURPOSE**

The Policy aims to provide a framework for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information (UPSI) and strengthening the internal control system to prevent leak of UPSI.

#### **3. SCOPE**

The Company endeavours to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the Company by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated Person, support staff or any person(s) with any unauthorized person which affects the reputation of the Company.

#### **4. DEFINITIONS**

The definitions of some of the key terms used in the policy are given below. Capitalised terms are not defined herein shall have the meaning assigned to them under the Regulations.

- a) **Audit Committee** - means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
- b) **Code** - means POEL Code of Conduct for Prevention of Insider Trading.
- c) **Compliance Officer** - means the person as defined in Code.
- d) **Leak of UPSI** - means communication of information, which is/deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly, or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.

- e) **Suspect** - means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.
- f) **Support Staff** - shall include IT staff or secretarial staff or finance staff or accounts staff who have access to unpublished price sensitive information
- g) **Unpublished price sensitive information or UPSI** - means any information, relating to a 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) Merger, de-merger, acquisition, delisting, disposal and expansion of business and such other transactions;
  - (v) Changes in Key Managerial Personnel;
  - (vi) such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer from time to time

## 5. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI

- 5.1 Any instance of leak of Unpublished Price Sensitive Information should be based on a direct and first-hand experience of the Whistle Blower. It should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.
- 5.2 Inquiry under this policy shall commence based on a written complaint received from any Insider, Designated Person, Registrar and Share Transfer Agents or any other regulatory authority.
- 5.3 The Whistle Blower may complaint or report the leak of UPSI by addressing the hard copies or by an email to Compliance Officer.
- 5.4 The Whistle Blower shall *inter alia* state particulars of the complaine and details of the complaint. The Whistle Blower has the option of annexing such documentary evidence, as deemed reasonable for substantiating the complaint lodged.
- 5.5 The instance of leak of UPSI made by the Whistle Blower must be genuine with adequate supporting data/proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature or was not genuine, the Whistle Blower shall be subject to disciplinary action.
- 5.6 A preliminary inquiry shall be conducted to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation. The preliminary inquiry shall be conducted by the Compliance Officer under the supervision of Managing Director and Chairman of the Audit Committee.



- 5.7 The Compliance Officer in consultation with the Managing Director shall write to the complainee intimating the details of the complaint received and directing him to provide a written representation.
- 5.8 If in the opinion of Chairman of Audit Committee, Managing Director and Compliance Officer, the preliminary inquiry warrants further investigation, the same shall be submitted to Inquiry Committee for detailed investigation.
- 5.9 Inquiry Committee shall consist of Compliance Officer, Chief Financial Officer, Managing Director and Head of Human Resources.
- 5.10 Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation.
- 5.11 The Inquiry Committee may call upon such employees/individuals to seek clarification or information pertaining to the leak of UPSI or person(s) who were involved in the generation of original data.
- 5.12 Unless there are compelling reasons not to do so, Suspect shall be given an opportunity to respond to material findings contained in investigation report. The Suspect(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with. The Suspect shall co-operate with the Inquiry Committee during the investigation process.
- 5.13 The Inquiry Committee shall conduct the investigation and give its final report within 30 days from the date on which the matter was referred to the Committee or such other reasonable time. The report shall clearly mention, whether a leakage of UPSI has occurred or not and if occurred the proposed disciplinary action against the violator.

## **6. DISCIPLINARY ACTION**

- 6.1 On receipt of report of Inquiry Committee, the Compliance Officer shall forthwith forward such report to Audit Committee and Board of Directors of the Company.
- 6.2 The disciplinary action against the Suspect may be taken after consultation with the Audit Committee and Board of Directors of the Company.
- 6.3 The Disciplinary action(s) may include wage freeze, suspension, termination of employment/contract/agreement etc.,
- 6.4 The Company shall inform SEBI and Stock Exchange of such leaks, inquiries and results of such inquiries.

## **7. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire policy with a new policy. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this policy.

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