



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

IOLCP/CGC/2015
29 May 2015

The General Manager
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

The General Manager
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai

Subject: Outcome of the Board Meeting held on 29 May 2015

Dear Sir,

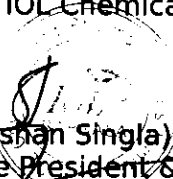
This is to inform you that the Board of Directors in its meeting held on today i.e. 29 May 2015 has considered and approved the following matters:

1. Financial accounts for the quarter and the financial year ended 31 March 2015.
2. Appointment of Mr Vikas Gupta as Additional and Executive Director of the Company w.e.f. 29 May 2015
3. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information under Regulation (8) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as **Annexure I**
4. Code of Conduct to Regulate, Monitor and Report Trading by Insiders under Regulation (9) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as **Annexure II**

This is for your information & Record please.

Thanking You

Yours faithfully
For IOL Chemicals and Pharmaceuticals Limited


(Krishan Singla)
Vice President & Company Secretary

IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Registered Office: Trident Complex, Raikot Road, Barnala-148101 (Punjab)

Phone No. : +91-1679-244701-07 • Fax No. : +91-1679-244708

Email : contact@iolcp.com • Website : www.iolcp.com

CIN No. : L24116PB1986PLC007030

Code of practices and procedures for fair disclosure of unpublished price sensitive information

Framed under regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015

Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

IOL Chemicals and Pharmaceuticals Limited (herein after called "the Company") shall adhere to the following so as to ensure timely and adequate disclosure of price sensitive information with respect to it or its securities which is likely to affect price of the securities.

- 1 The Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information (UPSI) that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. to make the information accessible to the public on a non-discriminatory basis.
- 2 The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
- 3 The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information 'generally available'.
- 4 The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 5 The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- 6 The Company shall develop best practices 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.
- 7 The Company shall ensure the handling of all UPSI on a need-to-know basis.
- 8 The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.

IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Registered Office: Trident Complex, Raikot Road, Barnala-148101 (Punjab)

Phone No. : +91-1679-244701-07 • Fax No. : +91-1679-244708

Email : contact@iolcp.com • Website : www.iolcp.com

CIN No. : L24116PB1986PLC007030

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT
TRADING BY INSIDERS**

Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "Regulations") requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, in supersession of the previous Code dated 01 May 2005, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the "Code") for IOL Chemicals and Pharmaceuticals Limited (the "Company") is hereby framed as under -

IMPORTANT DEFINITIONS

1. In this Code :-

- (1) **"Company"** means IOL Chemicals and Pharmaceuticals Limited.
- (2) **"Compliance Officer"** means Company Secretary of the Company.
- (3) **"Connected Person"** means:
 - (a) 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.
 - (b) 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,-
 - (i) an immediate relative of connected persons specified in clause (i); or
 - (ii) a holding company or associate company or subsidiary company; or
 - (iii) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or

- (iv) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (v) an official of a stock exchange or of clearing house or corporation; or
 - (vi) 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
 - (vii) 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
 - (viii) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (ix) a banker of the Company; or
 - (x) a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- (4) **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.
- (5) **"Insider"** means any person who,
- (a) a connected person; or
 - (b) in possession of or having access to unpublished price sensitive information.
- (6) **"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
- (7) **"Regulations"** means SEBI (Prohibition of Insider Trading) Regulations, 2015
- (8) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- (9) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- (10) **"Unpublished Price Sensitive Information"**: 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:
- (a) financial results;
 - (b) dividends;
 - (c) change in capital structure;
 - (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - (e) changes in key managerial personnel; and
 - (f) material events in accordance with the listing agreement
- (11) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015

CODE

Reporting

2. The Compliance Officer shall report on insider trading to the Board of Directors ("Board") and in particular, shall provide reports to the Chairman of the Audit Committee, on **annual basis** or at such frequency as may be stipulated by the Board

Information on a need to know basis & Chinese Wall procedures

3. (1) All information shall be handled within the organisation 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/her legal obligations.
- (2) Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:
 - (a) 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
 - (b) 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.
- (3) 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

Designated Persons

4. Designated Persons includes: **Directors, Key Managerial Personnel, Promoters**, every employee in the grade of **Manager and above** in the company and any other person as the Board shall in consultation with the Compliance Officer may specify from time to time on the basis of their role and/or relation with the Company.

Prohibition on Trading of Securities

5. (1) No Designated Persons/Connected Persons and Employee of the Company, either on his own or on behalf of any other person shall trade in the Securities of the Company when in possession of Unpublished Price Sensitive Information.

(2) **Trading pursuant to a Trading Plan:**

Designated Persons who are perpetually in possession of Unpublished Price Sensitive Information shall be entitled to **formulate a trading plan for trading in Securities** of the Company in compliant manner subject to the following conditions:

- (a) Trading Plan shall (i) not entail commencement of trading on behalf of the Designated Persons 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.
- (b) Trading Plan shall be presented to the Compliance Officer for approval and public disclosure. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Trading Plan as per provisions of the Regulations.
- (c) Upon approval of the Trading Plan, the Compliance Officer shall **notify the Trading Plan to the stock exchanges**.
- (d) The Trading Plan once approved shall be irrevocable and the Designated Persons shall mandatorily have to implement the Trading 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 Trading Plan, the Designated Persons 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 Trading Plan shall be deferred until such Unpublished Price Sensitive information becomes generally available information. Further, the Designated Persons 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.

Trading Window

- 6. (1) **The trading window shall be closed from the date of intimation of Board Meeting to Stock Exchange for consideration of any Unpublished Price Sensitive Information.** Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

nd

- (2) The Trading Window shall re-open after **48 hours** of the unpublished price sensitive information communicated to the stock exchanges and made public.
- (3) 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
- (4) No insider shall trade in securities on a stock exchange when in possession of unpublished price sensitive information. However the insider may prove his innocence by demonstrating the circumstances as provided under regulation 4 such as off market inter-se transfer between promoters, in case on non-individuals insiders, individuals who were in possession of unpublished price sensitive information were different from individuals taking decisions or trades were pursuant to a trading plan set up in accordance with regulation 5.
- (5) In the case of connected persons the onus of establishing that they were not in possession of unpublished price sensitive information shall be on such connected person.
- (6) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, trading of shares allotted in exercise of ESOPs shall not be allowed when trading window is closed.

Pre-clearance of trades

7. (1) When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the **value of the proposed trade(s) exceeds Rs. 10 lacs (Ten lacs) or 10,000 (Ten thousand) equity shares, whichever less, in any quarter**, or such other limits as the Board of Directors may stipulate. Designated persons shall require pre-clearance from the Compliance Officer in **Application-cum-undertaking for pre-clearance** (enclosed as **Annexure I**). No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
- (2) The Compliance Officer shall confidentially maintain a list of securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- (3) Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- (4) Order in respect of securities shall be executed within **seven trading days** after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.
- (5) A designated person who is permitted to trade shall not execute a **contra trade** within a period of **six months** following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is

executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Disclosure Responsibilities & formats

8. The disclosures to be made by any person shall include those relating to trading by such **person's immediate relatives** and by any other person for whom such person takes trading decisions.

(1) Initial Disclosures of holdings

- (a) Every **promoter, key managerial personnel and director** of the Company shall disclose in the '**Form A**' as prescribed under the Regulations (enclosed as **Annexure II**), his holding of securities of the Company as on the date of these Regulations taking effect i.e. 15 May 2015 to the Company within **thirty days** of these Regulations taking effect that is **on or before 14 June 2015**.
- (b) Every person on appointment as a **key managerial personnel or a director** of the Company or upon becoming a **promoter** shall disclose in the '**Form B**' as prescribed under the Regulations (enclosed as **Annexure III**), his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within **seven days** of such appointment or becoming a promoter.

(2) Continual Disclosures of trades

- (a) Every **promoter, employee and director** of the Company shall disclose to the Company in the '**Form C**' as prescribed under the Regulations (enclosed as **Annexure IV**), the number of such securities acquired or disposed of within **two trading days** of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value **in excess of Rs.10,00,000/- (Rupees Ten lakh)** or such other value as may be specified;
 - (b) The Company shall within a period of **two trading days** from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading as per the form specified by the SEBI under the Regulations.
- (3) Every designated person shall report his holding in securities **on an annual basis** with in **30 days** of end of the financial year in '**Form D**' as prescribed under the Regulations (enclosed as **Annexure V**).

Penalty for contravention of Code of Conduct

9. Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

Applicability of the Code to certain persons

10. The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business

relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review by the Board from time to time.