

INDO BORAX & CHEMICALS LTD

INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

INTRODUCTION

SEBI has vide notification dated 31st December, 2018 amended SEBI (Prohibition for Insider Trading) Regulations, 2015 effective from 1st April, 2019. Pursuant to newly inserted regulations 9A of the said regulation, an institutional mechanism for prevention of insider trading has been framed for adoption by Board of Directors of the Company and the same will be effective from 1st April, 2019.

INSTITUTIONAL MECHANISM

A. Role of Managing Director and Chief Executive Officer

1. The Managing Director & Chief Executive Officer (CEO) of the company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the said regulations to prevent insider trading.
2. The Internal Controls shall include the followings:
 - a) All employees who have assessed to unpublished price sensitive information are identified as designated employees;
 - b) All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of regulations;
 - c) Adequate restrictions shall be placed on communications or procurement of unpublished price sensitive information as required by the regulations;
 - d) List of all the employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreement shall be signed or notice shall be served to all such employees and persons;
 - e) All other relevant requirements specified under regulations shall be complied with;
 - f) Periodic process review to evaluate effectiveness of such internal controls.

B. Role of Board of Directors

The Board of Directors shall ensure that Managing Director & CEO or such other equivalent person ensures compliance with regulations 9 and sub-regulations (1) & (2) of the Regulations.

The Board of Directors/CMD/CEO shall ensure that a structured digital data base is maintained containing the names of such persons or entities as the case may be with whom unpublished price sensitive information shared along with the Permanent Account Number (PAN) or other identifier authorized by law where PAN is not available. Such databases shall be maintained with adequate internal controls and checks, such as time stamping and audit trails to ensure non-tampering of the database.

C. Role of Audit Committee

The Audit Committee shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

D. Duties and Responsibilities in case of leak of information

- a) Company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by the Board of Directors of the Company and accordingly, initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.
- b) The Company shall have whistle blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- c) If an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry. For avoidance of doubts it is clarified that, the intermediaries and fiduciaries shall include professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc. assisting or advising the Company.

This institutional mechanism for preventing insider trading is subject to review

For Indo Borax & Chemicals Ltd

Sd/-
Chairman & Managing Director

Mumbai, 29th March, 2019