

# Indokem Limited

(CIN NO.: L31300MH1964PLCO13088)

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05<sup>th</sup> June, 2019

To,  
**The Bombay Stock Exchange Limited**  
Corporate Relations Department  
1st Floor, New Trading Ring,  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

**Scrip Code: 504092**

**Subject: Regulation 30 - Intimation of Amendments in Code of Conduct for Prevention of Insider Trading.**

Respected Sir/Madam,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, we wish to inform that the Company has approved the amendments vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 in:

1. Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments made thereunder; the Board has adopted the revised "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information";
2. Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments made thereunder; the Board has adopted the revised "Code of Conduct for Prevention of Insider Trading";
3. Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018; the Board has adopted the "Policies and Procedures for Inquiry in Case of leak of or Suspected leak of Unpublished Price Sensitive Information".

All the policies are updated on the website of the Company and is available for the stakeholders of the Company at [www.indokem.co.in](http://www.indokem.co.in)



Further, as per Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015, 'Code of Practices and Procedures for Fair Disclosure of UPSI' is annexed herewith.

Kindly take the same on your records.

Yours sincerely,

**For Indokem Limited**



**Rajesh D. Pisal**  
**Company Secretary and Compliance Officer**



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UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[As envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015]*

*[Pursuant to Regulation 8(1) read with Regulation 3(2A) of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018]*

➤ **INTRODUCTION:**

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) under the powers conferred on it under the SEBI Act, 1992. The Regulations came into force with effect from 15<sup>th</sup> May, 2015 and the same have been made applicable to all companies whose shares are listed on Indian stock exchanges. Accordingly the Company had formulated and implemented the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (Code of Fair Disclosures).

Further the SEBI had introduced the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which was notified on 31<sup>st</sup> December, 2018. Accordingly the Board of Directors of Indokem Limited has approved and adopted the amendments to the Code (as applicable from 1<sup>st</sup> April, 2019), on 29<sup>th</sup> March, 2019.

➤ **OBJECTIVE OF THE CODE OF FAIR DISCLOSURE:**

The Code of Practices and Procedures for Fair Disclosure is required for the Company to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the Company's securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

➤ **INTERPRETATION:**

In this Code and the Policy forming part of this Code, unless the context otherwise requires:

- Headings and underlining are for convenience only and shall not affect the interpretation or construction of this Code and the Policy forming part of this Code or any provisions contained herein.

- Words importing the singular shall include the plural and vice versa; and words importing either gender shall include the other.

➤ **PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

The Company will adhere to the following Principles so as to ensure timely and adequate disclosure of Price Sensitive Information with respect to securities of the Company which are likely to affect price of the securities:

1. The Company will make 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. The Company will make, uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure(s).
3. The Compliance Officer of the Company will be CIRO to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company will make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company will provide, appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company will ensure that information if any shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company will make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
8. The Company will handle all unpublished price sensitive information on a need-to-know basis.

**POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

*Forming part of Code of Practices and Procedures for Fair Disclosure of UPSI*

*[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 read with Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]*

➤ **PREFACE:**

This Policy, as a part of “Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information” 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.

➤ **OBJECTIVE:**

The objective of this Policy is to impose a prohibition on unlawfully procuring the possession of UPSI and identifying ‘Legitimate Purposes’ for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring UPSI relating to the Company or its listed securities, if any.

**A. PROHIBITION ON COMMUNICATING OR PROCURING UPSI:**

All UPSI shall be handled within the Company on a need-to-know basis and an Insider shall not:

- a) communicate, provide, or allow access to any UPSI, relating to the Company or securities listed, to any person including other Insiders except to the extent allowed under the Regulations;
- b) procure from or cause the communication by any Insider of UPSI, relating to the Company or securities of the Company except to the extent allowed under the Regulations.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, or allowed access to or procured in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

**B. COMMUNICATION OR PROCUREMENT OF UPSI FOR LEGITIMATE PURPOSE:**

An Insider may communicate, provide or allow access to any UPSI or a person may procure from or cause the communication by any Insider of UPSI in furtherance of legitimate purpose, performance of duties or discharge of legal obligations only.

For the purpose of this Policy, the legitimate purpose shall include sharing of UPSI in ordinary course of business during performance of duty (ies) or discharge of legal obligation (s) or sharing of UPSI for any other genuine or reasonable purpose as may be determine by the CIRO of the Company or sharing of UPSI for any other purpose as may be prescribed under the various Securities Regulations of SEBI or under Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time, by an Insider with:

1. Partners
2. Collaborators
3. Banks
4. Lenders
5. Customers
6. Suppliers
7. Merchant Bankers
8. Legal or other advisors
9. Auditors and Accountancy Firms
10. Law Firms, Analysts and Research Personnel
11. Insolvency Professionals
12. Consultants

Such other person/organization/firm/institute etc. as the Board may determine in consultation with the Compliance Officer.

**C. CONDITIONS FOR COMMUNICATION OR PROCUREMENT OF UPSI BY AN INSIDER:**

The sharing of UPSI by an Insider for the legitimate purpose, performance of duties or discharge of legal obligations shall be subject to following conditions:

1. The UPSI shall be shared in ordinary course of business(es) only.
2. Sharing of UPSI shall be only for a genuine or reasonable purpose(s) as may be determined by the CIRO of the Company.
3. Sharing of UPSI shall be for any other purpose as may be prescribed under the various Securities Regulations of SEBI or under Company Law or any other law

for the time being in force, in this behalf, as may be amended from time to time.

4. Such sharing of UPSI shall not be carried out with a motive to evade or circumvent the prohibitions of the Regulations.
5. Sharing of UPSI shall be for any other purpose as may be prescribed under the various Securities Regulations of SEBI or under the Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.
6. Such sharing of UPSI shall be subject to the compliances stated in Clause D of this Policy.

**D. COMPLIANCES:**

1. Any "Person(s)" or "entity(ies)" in receipt of UPSI pursuant to the "legitimate purpose", shall be considered as an "Insider" for the purpose of the Regulations till the time and event, the UPSI, of which that "Person" or "entities" is having knowledge or having or cause to have access to, is made public.
2. The Compliance Officer/CIRO in consultation with Chairman & Managing Director of the Company may also decide on how and when any person(s) or entity(ies) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).
3. A Due Notice shall be served to the "Person(s)" or "entity(ies)" identified in 1. above by the Compliance Officer/ such other officer as may be instructed by the Compliance Officer through Letter/e-mail/post/courier or any other mode as deemed proper by the Compliance Officer in consultation with the Chairman & Managing Director of the Company, for the purpose of maintaining confidentiality of the UPSI known to that person(s) or entity(ies), for the purpose of compliance with the Regulations and;
  - (i) to make aware such Person(s) or entity(ies), that the information shared is or would be confidential and UPSI;
  - (ii) to make aware such Person(s) or entity(ies), the duties and to misuse or unwarranted use of such UPSI.
4. As an alternative step to 3. above, a Non-Disclosure Agreement (NDA) or such other Agreement/ Memorandum of Understanding of corresponding nature may be entered into by the Company with the "Person" or "entity(ies)" identified in 1. above for the purpose of maintaining confidentiality of the UPSI

known to that person(s) or entity(ies), for the purpose of compliance with the Regulations;

- (i) to make aware such Person(s) or entity(ies) that the information shared is or would be UPSI; to make aware such Person(s) or entity(ies), the duties and
- (ii) responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted use of such UPSI;

**E. POWER AND DUTY OF CHIEF INVESTOR RELATIONS OFFICER (“CIRO”) UNDER THE POLICY:**

1. It shall be the duty of CIRO of the Company to observe the compliance of this Policy.
2. Other than information which is price sensitive in accordance with the various Securities Regulations of SEBI or under Company Law or any other applicable law for the time being in force, the CIRO in consultation with the Chairman & Managing Director (CMD) or Chief Financial Officer (CFO) shall decide whether an information is price sensitive or not.
3. The CIRO shall ensure that the required disclosures to Stock Exchanges, on which the securities of the Company are listed, is made promptly.
4. CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-coordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders, media and educating staff on disclosure policies and procedures.
5. The Onus of Compliance of this Policy shall also lie on the ‘Insider’ or the ‘Designated Person’ who is the root cause for generation of UPSI or who has shared or has abetted in sharing the UPSI to a “Person” or “entities” referred to in sub- clause (1) of Clause D.

**F. DIGITAL DATABASE OF RECIPIENT OF UPSI:**

The CIRO shall be responsible to maintain a structured digital database which shall, inter alia, contain the following information of such “Persons” or “entities” (hereinafter referred to “Insider”) and “Designated Persons” with and/or by whom information is shared under the Regulations till the time and event, the UPSI is having knowledge or having or cause to have access to, is made public:

- (i) Name of such recipient of UPSI;
- (ii) Name of the organization or entity or person etc. to whom the recipient



- represent;
- (iii) Postal Address and E-mail Id of such recipient;
  - (iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available (Aadhar/Passport/Election Voting Card details);
  - (v) Name of immediate relatives of recipient;
  - (vi) Phone, Mobile / cell numbers;
  - (vii) Name of educational institutions from which graduated;
  - (viii) Name of past employers;
  - (ix) Name of Person with whom such designated person(s) share material financial information.

Further Designated persons shall be required to disclose the above mentioned information to the Compliance Officer of the Company on an annual basis within 15 (fifteen) days of close of the financial year of the Company and on continual disclosure basis, as and when the information changes within 15 (fifteen) days of such change.

The CIRO shall also be responsible to ensure that such databases are maintained with adequate and effective system of internal controls to secure the database along with establishment of checks and controls systems such as time stamping and audit trails to ensure non-tampering of such database.

The CIRO shall also be responsible to keep documents containing confidential information in safe and secure manner.

The CIRO shall also update on the maintenance of structured digital database to the Board of Directors for review and compliance purpose from time to time.

➤ **PENAL PROVISIONS:**

Any non-compliance or irregularity or non-adherence to this Policy shall be such penal/ disciplinary/ remedial action as may be considered appropriate by the Board of Directors of the Company in the best interest of the Company.

➤ **AMENDMENT:**

This Code including the Policy may be further amended from time to time by the

Board of Directors, as the Board may fit necessary and as and when required. Further, any subsequent amendment/modification in the Regulations and/or any other laws in this regard shall automatically apply to this Code including to the Policy forming part of the Code.

➤ **GENERAL:**

In case of any inconsistency between the terms of this Code/ Policy and any existing or newly enacted law, rule, regulation or standard including amendments thereof governing the Company, such law, rule, regulation or standard including amendments thereof will take precedence over this Code/ Policy and procedures until such time this Code/ Policy is changed to conform to the law, rule, regulation or standard including amendments thereof.

➤ **IMPLEMENTATION:**

The Board of Directors may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.

*(Note: Policy for Determination of Legitimate Purposes covered under this Code of Fair Disclosure, formulated pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 shall come into effect from 1<sup>st</sup> April, 2019)*

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