

Southern Petrochemical Industries Corporation Limited

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Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

(Pursuant to Regulation 8 of the SEBI (Prevention of Insider Trading) Regulations, 2015, as approved by the Board of Directors of the Company on 27th March 2019)

The following is the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”) adopted by Southern Petrochemical Industries Corporation Ltd (SPIC). This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Regulations) and the terms used therein shall have the same meaning as given in the said Regulations:

A. PARAMETERS FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The following are the principles of Fair Disclosure adopted by SPIC:

1. Unpublished price sensitive information (UPSI) that would impact price discovery will be intimated to the Stock Exchanges immediately on any such credible and concrete information crystalizing or coming into the knowledge of the Company.
2. SPIC will ensure that there is no selective disclosure of any UPSI
3. The Whole-time Director of the Company has been designated as the Chief Investor Relations Officer (CIRO) for the purpose of determining the information and timing of dissemination of any UPSI.
4. In case any UPSI gets disclosed inadvertently to any select persons or group of persons in the ordinary course, the CIRO will immediately take steps for disclosing such information to the Stock Exchanges and also the website of the Company.
5. SPIC will provide prompt and appropriate response to queries on news reports and verification of market rumours by regulatory authorities.
6. All the functional heads and other senior executives of the Company will ensure that:
 - a. The information shared with analysts and research personnel are not UPSI. They will seek guidance from the CIRO and the Company Secretary in case it is not clear to them if any of the proposed disclosure to such analysts and research personnel would be a UPSI.
 - b. The proceedings are captured aptly and the details of disclosures made are uploaded in the website of the Company.
 - c. Share all the UPSI with the concerned personnel strictly on a need to know basis.
 - d. Keep all internal presentations and other documents relating to business plans and other related activities as classified documents and not discuss such information in public or with persons not concerned with the proposal.
 - e. Appropriate non-disclosure agreements are signed by the advisors, consultants, etc. who are engaged for advising on major business plans and similar proposals, which have not otherwise been made public.
 - f. UPSI is communicated only for legitimate purposes as per the for performance of duties and/or legal obligations.



B. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

Pursuant to Regulation 3 (1) and (2) of the Regulations, UPSI relating to the Company shall be communicated, provided or access allowed only for legitimate purposes for performance of the duties or discharge of legal obligations of the discloser and also the recipient of the information and subject to compliance with the provisions of this Code and also the Regulations.

Similarly no person shall procure UPSI except for legitimate purposes for performance of the duties or discharge of legal obligations and he shall comply with the requirements of this Code and also the Regulations.

The Policy for Legitimate Purpose pursuant to Regulation 3 (2A) of the Regulations shall be the following:

- i. Legitimate Purposes of Disclosure shall be:
 - a. Disclosure for discharge of contractual or legal obligations or discharge of duties in relation to the Company by the person disclosing as well as receiving the information.
 - b. To illustrate, sharing of information in the ordinary course of business with the following persons, viz., Joint Venture partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, rating agencies, potential lenders, registrar and transfer agents, insolvency professionals or other advisors or consultants (collectively referred to as outsiders) with whom the Company is having business relationship and for the purpose of such adviser to discharge his contractual obligations arising out of such relationship.
- ii. Sharing of information with a view to evade or circumvent the prohibitions of the Regulations shall not be deemed to be a legitimate purpose and any such improper disclosure shall be dealt with in accordance with the provisions of the Regulations.
- iii. Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for the purposes of Regulations and the Code and due notice shall be given to such persons by the persons making the disclosure to maintain confidentiality of such UPSI in compliance with the Regulations.
- iv. Any person who receives UPSI knowing it to be an UPSI shall be deemed to have received notice from the Company of the requirement to maintain confidentiality and he shall be deemed to have agreed to such confidentiality requirements if he receives such UPSI.
- v. The Company shall maintain structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared under this Code read with the Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available or as may be specified under the PIT Regulations from time to time.



C. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI

Leak of any UPSI in contravention of the provisions of the PIT Regulations and/or the confidentiality requirements shall be viewed very seriously and shall be dealt with as follows:

- i. When any leak is suspected the same shall be brought to the notice of the Compliance Officer (CO) who shall inform the WTD/CIRO immediately. He shall initiate actions for a preliminary inquiry into the matter to determine if a more detailed inquiry is warranted. For this purpose the Compliance officer shall take the guidance of the WTD/CIRO.
- ii. The CO based on the findings shall submit the findings of the preliminary assessment to the CIRO. If such findings point to a prima facie case for further actions the CIRO shall constitute an Inquiry Committee (IC) to conduct the investigation / enquiry process.
- iii. The IC shall conduct a detailed inquiry after collecting requisite evidence, documents and summoning such of the individuals for personal appearance as deemed necessary.
- iv. The inquiry shall be conducted in confidence and the IC shall submit the inquiry report to the CIRO. The Report shall contain detailed findings supported by evidence, the consequences of the leak and the quantum of punishment to be awarded. The CIRO may call for such further information as may be required, if he is of the view that the information contained in the report is inadequate and the IC shall provide the same.
- v. The CIRO shall, promptly on receipt of the preliminary enquiry report pointing to any leak /suspected leak of UPSI, cause information to be given to SEBI about such leakage/suspected leakage and followed by intimation about initiation of detailed inquiry, if any. Post inquiry, the details of violations, person involved, undue profit made out of it and such any other significant findings are to be furnished to SEBI.
- vi. The Report of the IC shall be considered by the WTD/CIRO in consultation with the Chairman of the Company he shall determine the quantum of punishment.
- vii. All the documents and other records relating to the inquiry shall be handed over to the Compliance Officer for safe custody which shall be maintained in tact as per the archival policy of the Company.

D. WHISTLE BLOWER POLICY FOR UPSI

Any employee who becomes aware of leak of any UPSI by any person in breach of the provisions of this Code and the Regulations, may bring the same to the notice of the concerned internal authority as per the process laid down in the Whistle Blower Policy of the Company laid down under S. 177 of the Companies Act, 2013. He will be deemed as a Whistle Blower and shall be entitled to protection under the said Policy.

E. VALIDITY, AMENDMENTS AND REPEAL

- i. This Code approved by the Board of Directors on 27th March 2019 shall be effective from 1st April 2019 and shall remain in force until abrogated or withdrawn or replaced by the Board and consequently the Code approved by the Board vide Circular Resolution dated 14th May 2015 shall stand repealed.
- ii. This Code can be amended or abrogated at any time by the Board of Directors of the Company.
- iii. Matters relating to interpretation of the Code shall be referred to and adjudicated by the CIRO. The CIRO may make any minor changes for better clarity and to avoid any misinterpretation/misconception of any of the provisions of the Code.
