



## Tamilnadu Petroproducts Limited

Regd. Office: Manali Express Highway, Manali, Chennai 600 068.

CIN: L23200TN1984PLC010931

Website: www.tnpetro.com E-mail : secy-legal@tnpetro.com Telefax: 044-25945588

---

### ***Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of Trading in the Securities of Tamilnadu Petroproducts Limited by the Designated Persons and their Immediate Relatives (Internal Procedures and Conduct)***

WHEREAS under Regulation 9 of the Regulations, the Company is required to formulate a code of conduct to regulate, monitor and report trading by the Designated Persons and their immediate relatives towards achieving compliance with the said Regulations adopting the minimum standards set out in Schedule B thereto.

AND

WHEREAS, the Board of Directors of the Company has approved the following Code at the meeting held on 25<sup>th</sup> March 2019.

NOW THEREFORE, this Code of conduct for regulation, monitoring and reporting of trading in the securities of Tamilnadu Petroproducts Limited (TPL) by the Designated Persons and their immediate relatives is hereby published for strict compliance by all concerned.

#### **1. Title and Applicability**

- a. This Code shall be called “The Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of trading in the securities of Tamilnadu Petroproducts Limited by the Designated Persons and their Immediate Relatives.
- b. It shall come into force with effect from 1<sup>st</sup> April 2019
- c. This Code shall apply to all the Designated Persons and their ‘Immediate Relatives’ as defined under this Code.

#### **2. Definitions**

- a. “Act” means the Securities and Exchange Board of India Act, 1991
- b. “Board” means the Board of Directors of Tamilnadu Petroproducts Limited
- c. “Chief Investor Relations Officer” shall mean the Wholetime Director of the Company
- d. “Company” or “TPL” means Tamilnadu Petroproducts Limited
- e. “Code” means the Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of Trading in the Securities of Tamilnadu Petroproducts Limited
- f. “Compliance Officer” means the officer performing the duties of the Company Secretary, for the time being and he shall report to the Board. He shall provide report on the compliance with the Regulations for review by the Vice-Chairman on an annual basis or at such other frequency as may be decided by the Board from time to time.
- g. “Connected person” means any person who is covered under Regulation 2 (d) of the Regulations
- h. “Designated Persons” shall include the following:

- i. All the Executive Directors of the Company
  - ii. All the employees upto two levels below the Board level of the Company and also its material subsidiaries, irrespective of their functional role or the ability to have access to Unpublished Price Sensitive Information in the Company or as the case may be in the subsidiary.
  - iii. All the other employees of the Company and of the material subsidiaries who on the basis of their functional roles in the Company or as the case may be in the subsidiary, have access to the Unpublished Price Sensitive Information
  - iv. All the Promoters for the time being of the Company
  - v. All the employees in the Secretarial, Finance and Information Technology Department of the Company and not covered under the above and
  - vi. Such other persons as may be specified by the Board from time to time.
- i. "Director" means a person occupying the position of a Director or an Additional Director or an Alternate Director in the Company.
  - j. "Immediate Relative" means the spouse, parents, sibling and children of the 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.
  - k. "Insider" shall have the meaning as contained in the Regulations as amended, and shall include Designated Persons.
  - l. "Need to know" basis means that unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
  - m. "Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as in force.
  - n. "Securities" shall mean the equity shares and other securities, if any, of the Company listed on the stock exchanges
  - o. "Trading" shall have the meaning as defined under Regulation 2 (l) of the Regulations.
  - p. "Trading Day" means a day on which the recognized stock exchanges are open for trading;
  - q. "Trading Window" means the period during which a designated person may buy/sell the securities of the Company, subject to this Code and applicable SEBI regulations and excluding the period(s) of book closure duly so notified in terms of Section 91 of the Companies Act, 2013.
  - r. "Unpublished Price Sensitive Information" shall have the meaning as provided in Regulation 2(n) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.  
Without prejudice to the generality of the foregoing, the term shall include any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of Securities of the Company.
  - s. Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall have the meanings respectively assigned to them in that Regulation.

*The term “Designated Person” in this Code shall include their Immediate Relatives, wherever the context so warrants.*

**3. Prohibition on trading of the securities of the Company by Designated Person and Immediate Relatives**

No Designated Person when in possession of any Unpublished Price Sensitive Information (UPSI) pertaining to the Company, as defined in the Regulations, shall trade in the Securities. This restriction shall apply also to the Immediate Relative of a Designated Person.

**4. Prohibition on communication or procurement of unpublished information by Designated Person**

- a. No Designated Person shall communicate, provide, or allow access to any UPSI, relating to the Company or the securities to any person including other Designated Persons or Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations and except in the manner provided under the Regulations, this Code and the Code for Fair Disclosures.
- b. The Designated Person shall maintain confidentiality of all UPSI and disclose the same only to those within the Company and outside who need the information to discharge their duties and obligations.
- c. No Designated Person shall pass on such information to any person, directly or indirectly, by way of making a recommendation for the purchase or sale or otherwise deal in the Securities of the Company.
- d. All non-public price sensitive information directly received by any employee should immediately be reported to the Head of the Department.
- e. In case of doubts on whether information is unpublished and price sensitive, clarification may be sought from the Chief Investor Relations Officer or the Compliance Officer.
- f. Chinese Wall:
  - (i) To prevent the misuse of unpublished price sensitive information, the Company adopts a “Chinese Wall” policy separating those areas of the Company which routinely have access to such confidential information, considered “core areas” and other departments providing support services, considered “other areas”.
  - (ii) The employees and other persons operating in the core area shall not communicate any Price-Sensitive Information to anyone in other area.
  - (iii) In exceptional circumstances employees from the other areas could be allowed to “cross the wall” and given confidential information on the basis of “need- to-know” criteria and with the concurrence of the immediate supervisor.

**5. Trades by Designated Persons and their Immediate Relatives**

Trading in the securities of the Company by a Designated Person or the Immediate Relatives covered under this Code shall be subject to the following provisions:

- a. A Designated Person who intends to trade in the securities may execute a trade when the Trading Window is not closed subject to pre-clearance by the Compliance Officer.

*Provided that no pre-clearance shall be required if the gross value of trades by an individual during a calendar quarter is not more than Rs.50,000 in a month.*

- b. The Application shall be made in **Form I** annexed to this Code
- c. No Application for pre-clearance shall be made by a Designated Person when he is in possession of any UPSI, even if the Trading Window is not closed.
- d. Prior to granting approval for pre-clearance the Compliance Officer may seek a declaration to the effect that the applicant is not in possession of any UPSI.
- e. The Compliance Officer shall scrutiny the application with specific focus on the timing of the application and the veracity of the information and declarations by the applicant before approving the same.
- f. Granting of preclearance shall be done with the consent of the competent authority as stated below for the Designated Persons:

<b>Sl. No</b>	<b>Description</b>	<b>Competent Authority</b>
01	Vice-Chairman	Board of Directors
02	Other Directors	Vice-Chairman
03	Compliance Officer and other Designated Persons	Wholetime Director

- g. Once the pre-clearance for any trade is granted, the applicant shall execute the trade within 7 trading days of such approval failing which he shall make a fresh application for pre-clearance duly explaining the reasons for failing to execute the trade as per the previous approval.
- h. All pre-clearance accorded shall be placed before the Board on a quarterly basis and recorded.

#### **Other Conditions**

- i. No trades shall be made by the Designated Persons during the closure of Trading Window
- j. The Designated Persons shall execute the Trade subject to complying with the Code, the Regulations and other applicable laws.
- k. The Designated Person who has been permitted to execute any Trade under this Code shall not be permitted to enter into a contra trade within six months of execution of the permitted trade, other than trades pursuant to exercise of employee stock options.
- l. The Compliance Officer may grant relaxation to a Designated Person from the above for reasons to be recorded in writing provided that such relaxation does not violate the Code and the Regulations.
- m. In the event of any contra trade taking place, inadvertently or otherwise, the profits, if any, from such contra trade shall be liable to be disgorged from the Designated Person and remitted to the Investor Protection and Education Fund administered by the Securities and Exchange Board of India (SEBI)
- n. All the trades shall be executed only in dematerialized form unless otherwise approved specifically by the Compliance Officer in writing.

- o. Notwithstanding anything contained under this Code, execution of trades by the Directors and Promoters shall be subject to compliance with the other provisions of the Act, Companies Act, 2013 and other securities laws for the time being in force.

## **6. Trading Restrictions and closure of Trading Window**

- a. No Designated Person shall trade in the Securities of the Company during the period(s) when the Trading Window is closed.
- b. Unless otherwise notified by the Compliance Officer, the Trading Window shall remain closed from the end of every calendar quarter until 48 hours after disclosure of the financial results for the relevant quarter.
- c. The Trading Window shall remain closed in connection with the following for periods as may be specified by the Compliance Officer/Chief Investor Relations Officer:
- ✓ Issue of Securities by way of public/rights/bonus etc.
  - ✓ Buyback of shares/Debentures;
  - ✓ Proposal for Dividends [both interim and final];
  - ✓ Significant expansion plans or new projects;
  - ✓ Acquisition/amalgamation/merger/takeover ;
  - ✓ Disposal of whole or substantially the whole of the undertaking;
  - ✓ Significant changes in plans or operations of the Company;
  - ✓ Any other event as may be decided by the Chief Investor Relations Officer.
- d. In case of Employees Stock Option/Purchase Schemes, exercise of option may be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise of the Schemes shall not be allowed when Trading Window is closed.
- e. No Designated Person shall trade in the securities of the Company for a period of six months after ceasing to be a Designated Person.
- f. No employee of the Company, not being a Designated Person or his Immediate Relatives shall execute any trade in the securities of the Company for a period of 30 trading days after cessation of employment by superannuation or otherwise. He shall give an undertaking to this effect at the time of ceasing to be an employee of the Company.

**For the purpose of Clause (5) and (6), the term Designated Person shall be deemed to include his respective Immediate Relatives**

## **7. Prohibition of Speculative Transactions**

- a. No employee whether or not a Designated Person and his Immediate Relatives shall engage in speculative transactions with respect to the securities of the Company.
- b. For a transaction to qualify as being for investment purpose and not as speculative, the person investing in the shares shall be required to hold the investment for a minimum period of 30 days. This restriction shall also apply to subscription to an issue of shares by the Company (public, rights or otherwise), in which case the holding period would be reckoned from the date the Securities are actually allotted in favour of the concerned employee;

Provided that where sale of Securities of the Company is necessitated due to personal emergency, the Compliance Officer may, after obtaining consent of the Competent Authority mentioned in Clause 5 (o) above and for valid and justifiable reasons to be recorded in writing, waive the minimum holding period.

## **8. Disclosures and Reporting**

- a. All the persons covered under the Regulations shall make disclosures as stipulated in Chapter III of the Regulations in the Form and in the manner prescribed therein.
- b. The Designated Persons who are covered under this Code shall make the following disclosures with respect to themselves as well as their Immediate Relatives in relation to their holding/transactions in the Securities of the Company:
  - i. Initial Disclosure
    - a. The number of shares or voting rights held by him/her and his/her Immediate Relatives in **Form II**, within 30 days of this Code coming into force.
    - b. All the Designated Persons shall disclose the names and PAN of their Immediate Relatives and Persons with whom they share a material financial relationship and also the details of the educational institutions from which they have graduated and also the details of their past employments in **Form IIA**.
    - c. Disclosure shall be made in **Form III**, within 7 (seven) working days on becoming covered under this Code at any point of time.
  - ii. Continual Disclosure

Any transaction in securities of the Company by a Designated Person and/or his Immediate Relatives shall be disclosed within 2 trading days of such transaction and where pre-clearance has been accorded but not executed shall also be reported within 2 trading days of expiry of the period for executing the trade as per the pre-clearance in **Form IV**.
  - iii. Disclosure shall be made in **Form V**, within two trading days of such transaction, if the value of the securities traded, whether in one or in a series of transactions in a month aggregates to a traded value in excess of Rs. 50,000 by an employee who is not a Designated Person and/or his immediate relative.
  - iv. Annual Disclosure

Annual disclosure by the designated persons of number of securities held as on last date of the financial year, including details of each transaction of purchase/sale of shares and other securities during the financial year in **Form VI** within 30 days from the close of each financial year.
- c. The Compliance Officer shall place before the Wholetime Director or before such other Senior Officer or committee as may be specified in this behalf by the WTD, on a monthly basis, the details of all the disclosures reported in terms of the above clauses together with the copies of the Forms, and the documents submitted. A summary report on the various disclosures received and other relevant information under the Code and the Regulations shall be placed by the Compliance Officer before the Board every quarter.

- d. Any instance of non-compliance of this Code or of the Regulations, shall be reported with full details promptly by the Compliance Officer to the Wholetime Director.
- e. In any case where it is observed by the Company / Compliance Officer that there has been a violation of the Regulations, the same shall be duly informed by the Company to SEBI.

**9. Process to be followed when people are brought “Inside”**

Non-Disclosure Agreement (NDA) shall be entered into with every new employee as per the format approved by the Wholetime Director. Within 30 days of this Code coming into effect, NDA shall also be entered into with existing employees with whom such agreements have not been entered into.

Notice shall be given to an employee who is not a designated person and who is brought “inside” on sensitive transactions that the information to be accessed by him would be UPSI and so he shall adhere to the requirements of this Code and the Regulations. He shall also be made aware about the duties and responsibilities attached to receipt of inside information and liability that attaches to misuse or unwarranted use of such information. Such notice shall be given by the person who would be sharing information with or allowing access to information by such employee.

**9A Protection to Informant under Chapter IIIA of the Regulations**

(a) Any employee, whether a director, regular employee or contract employee of the Company, who files a Voluntary Information Disclosure Form to SEBI under Chapter IIIA of the Regulations (“the Informant”) shall be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against irrespective of whether the information is considered or rejected by SEBI or such Informant is eligible for a Reward under these regulations, by reason of:

- (i) filing a Voluntary Information Disclosure Form under the Regulations;
- (ii) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

(b) Such Informant shall not be required to establish that

- (i) SEBI has taken up any enforcement action in furtherance of information provided by such person; or
- (ii) the information provided fulfils the criteria of being considered as an Original Information under the Regulations.

(c) Any Informant who believes that he or she has been subject to retaliation or victimisation for filing such Voluntary Information Form shall be prevented from

approaching the competent court or tribunal for appropriate relief or availing the rights, privileges or remedies available under any other law for the time being in force

#### **10. Preservation of Records**

Reports/Forms rendered in terms of this Code shall be preserved by the Company for at least three years.

#### **11. Contravention of the Regulations or Code**

- a. Without prejudice to any action or proceedings that may be instituted under the Regulations for violation of the provisions by any person, any employee of the Company and other persons covered under this Code and the Regulations who deals in the Securities of the Company in contravention of the provisions of this Code shall be deemed to be guilty of misconduct and subjected to disciplinary action including but not limited to wage freeze, suspension, recover, claw back, withholding of promotions and so on.
- b. The provisions contained in this Code shall be in addition to and not in derogation or substitution of any duty, obligation or requirement on the part of an Designated Person including the Immediate Relative of such Designated Person under the Standing Orders or code of conduct for the employees of TPL or the Agreement/Contract entered into with TPL as the case may be.

#### **12. General**

A copy of the Regulations is available with the Secretarial Department and is also available in the website of SEBI [www.sebi.gov.in](http://www.sebi.gov.in) . Employees are required to acquaint themselves with the Regulations and the Code and comply with the same without any default.