

VINYL CHEMICALS (INDIA) LIMITED

Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons

(As approved by the Board of Directors of the Company at its Meeting held on 18th May, 2015 and further amended at the Board Meetings held on 28th January, 2020, 21st January, 2022 7th November, 2022 and 17th January, 2025)

As required under Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which was further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, (hereinafter referred to as “the Regulations”), Vinyl Chemicals (India) Limited (hereinafter referred to as “the Company”), hereby notifies the “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons” (hereinafter referred to as “the Code”).

Applicability:

This Code shall be applicable to all Designated Persons and their Immediate Relatives and Connected Persons (as defined hereunder) as may be specified and designated by the Board of Directors in consultation with the Compliance Officer. The Code contains the framework and policy for governing trading by Designated Persons and their Immediate Relatives. While this Code is for the Designated Persons and their Immediate Relatives, the Compliance Officer may require any other Connected Person to also comply with the provisions of this Code from time to time.

Every Designated Person and Connected Person as specified from time to time has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Designated Person, Connected Person or their Immediate Relatives may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

PART A- Definitions

“**Company**” means VINYL CHEMICALS (INDIA) LIMITED

“**Board of Directors**” means Board of Directors of VINYL CHEMICALS (INDIA) LIMITED

“**Compliance Officer**” means any senior officer appointed by the Board of Directors as defined under the Regulations from time to time.

“Connected Persons” means:

- (a) any person who is or has during the six months prior to the concerned act been associated with the 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 -
- an immediate relative of Connected Persons as specified in clause (a) above; or
 - a holding company or associate company or subsidiary company; or
 - an intermediary as specified in Section 12 of Securities Exchange Board of India Act, 1992 or an employee or Director thereof; or
 - an investment company, trustee company, asset management company or an employee or Director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - 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
 - 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
 - an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - a banker of the company; or
 - a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a Director of a Company or his immediate relative or banker of the company, has more than ten per cent of the shareholding or interest;

“Designated Person(s)” shall include the following persons:

- (a) Directors of the Company and its material Subsidiaries;
- (b) Key Managerial Personnel;
- (c) Executive assistants/Secretaries to all the above persons;
- (d) All the Promoters, including individual Promoters of the Company;

- (e) All Employees from the Legal and Secretarial Department of the Company;
- (f) Employees from Accounts Department, as may be identified by the Chief Financial Officer or Compliance Officer of the Company;
- (g) Any other Designated Employee from time to time;
- (h) Such other employees of the Promoters who are likely to have access to Unpublished Price Sensitive Information;
- (i) Other persons employed on contract basis or support staff not included above but performing similar roles or having similar responsibilities and
- (j) Such other employees of the Company and such other persons as may be notified by the Compliance Officer from time to time.

“Designated Employee” means employees designated on the basis of their functional role as may be specified by the Board of Directors, in consultation with the Compliance Officer.

"Insider" means any person who is:

- (a) a Connected Person; or
- (b) in possession of or having access to Unpublished Price Sensitive Information

“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;

“Generally available information” means information that is accessible to the public on a non-discriminatory basis;

“Need to know basis” shall mean the disclosure of Unpublished Price Sensitive Information/ confidential information only to those who need the information to discharge their duty in connection with the business of the Company;

“Promoter” shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereto;

“Promoter Group” shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereto;

"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereto except units of a mutual fund;

“Trading/Trade and its grammatical variations” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

“Trading day” means a day on which the National Stock Exchanges of India Limited and/or BSE Limited is open for trading.

“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, delisting, disposals and expansion of business and such other transactions and
- (e) changes in Key Managerial Personnel

Terms not specifically defined in the Code shall have the same meaning as assigned under the Regulations.

PART B

1. Compliance Officer:

1.1 The Compliance Officer shall be any senior officer, designated so, from time to time, and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under this Code and the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Codes as specified in the Regulations under the overall supervision of the Board of Directors. The Company Secretary shall be the Compliance Officer for the purpose of these Regulations and he/she shall report to the Board of Directors.

2. Role of Compliance Officer:

2.1 The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

- 2.2 The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearance of trades, monitoring of trading and the implementation of Code.
- 2.3 The Compliance Officer shall maintain the list of the Designated Persons & their Immediate Relatives as per format given in “**Annexure I**” and such other relevant records as may be deemed appropriate by the Compliance Officer for the purpose of compliance with the Code and Regulations. The Compliance Officer shall update such list from time to time.
- 2.4 The Compliance Officer shall assist all Designated Persons in addressing any clarification regarding the Regulations and Code.
- 2.5 In the event of any doubt on the interpretation of this Code, the Compliance Officer shall also be entitled to approach external counsel for clarifications.

3. Preservation of “Price Sensitive Information”:

- 3.1 All price sensitive information shall be handled within the Company 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 performance of duties or discharge of his legal obligations. Potential price sensitive information which shall mean information which is not generally available and which is highly probable to become price sensitive within a reasonable period of time shall also be handled on a need-to-know basis.
- 3.2 The Designated Persons, their Immediate Relatives and other Connected Persons shall maintain confidentiality of potentially price sensitive information. They shall not pass on such information to any person, directly or indirectly, by way of making recommendation for the purchase or sale of securities of the Company. They may only share Unpublished Price Sensitive information in the process of carrying out his/her own official duty/responsibility with the Company and on a need-to-know basis. Unpublished Price Sensitive Information may be shared where such communication is in furtherance of legitimate purposes, performance of duties with the Company or discharge of legal obligations and not otherwise.
- 3.3 Files containing confidential information shall be kept secure by all persons having access to the same.

4. Prevention of misuse of “Unpublished Price Sensitive Information”:

- 4.1** All Designated Persons and immediate relatives of designated persons in the organization shall be governed by an internal code of conduct governing dealing in securities.
- 4.2** Notwithstanding anything contained elsewhere in this Code, no Insider shall communicate, provide or allow access to any Unpublished Price Sensitive Information, relating to the Company or its securities listed or proposed to be listed, to any person including other Insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.3** Sharing of Unpublished Price Sensitive Information in the course of ordinary business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants shall be considered as "**legitimate purposes**" provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
- 4.4** Any person in receipt of Unpublished Price Sensitive Information pursuant to a legitimate purpose shall be considered an "Insider" for purposes of the Regulations and due notice shall be given to such person to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the Regulations. Such person is also required to ensure the confidentiality of Unpublished Price Sensitive Information shared with him/her, in compliance with the Regulations.
- 4.5** Unpublished Price Sensitive Information shall be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

5. Trading Window and Window Closure:

- 5.1** Designated Persons and their Immediate Relatives may execute trades subject to compliance with this Code. For this purpose, a notional Trading Window shall be used as an instrument for monitoring of trading by such persons.
- 5.2** The Trading Window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. Such closure shall be imposed in relation to such securities to which such Unpublished Price Sensitive Information relates. Designated Persons and their Immediate Relatives shall not trade in securities when the Trading Window is closed.

- 5.3** The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- 5.4** The Trading Window shall also be applicable to Connected Persons as designated by the Board of Directors from time to time including 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.

Without prejudice to the foregoing, the Trading Window shall be, closed for the following period:

- (a) From the end of the financial year till forty-eight hours after the date of declaration of yearly financial results of the Company.
- (b) From the end of each quarter till forty-eight hours after the date of declaration of unaudited quarterly financial results of the Company.
- (c) During the period where such intimation is given by the Board of Directors in case of any significant changes in policies, plans or operations of the Company.

The Compliance Officer/Company Secretary shall intimate the closure of Trading Window to all the Designated Persons and Connected Persons when he determines that a Designated Person or class of Designated Persons or Connected Person can reasonably be expected to have possession of Unpublished Price Sensitive Information.

The Trading Window shall be re-opened forty-eight hours after the Unpublished Price Sensitive Information is made public.

6. Pre-clearance of Trades:

- 6.1** When the Trading Window is open, trading by Designated Persons and their Immediate Relatives shall be subject to pre-clearance of trade by the Compliance Officer, if the proposed trade is above 1,000* shares or such lesser number of shares as the Managing Director or Compliance Officer may stipulate from time to time and which the Compliance Officer shall communicate to the Designated Persons.

**Revised from 50,000 shares to 10,000 shares by the Board of Directors w.e.f. 30.10.2015 and further revised from 10,000 shares to 2,000 shares by the Board of Directors w.e.f. 21.1.2022 and to 1,000 shares by the Board of Directors w.e.f. 7.11.2022.*

- 6.2** An application for pre clearance of Trade may be made in the prescribed Form (“Annexure II”) to the Compliance Officer along with the declaration to be given by the applicant in the prescribed form (“Annexure III”) that they are not in possession of Unpublished Price Sensitive Information. The Compliance Officer also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 6.3** Such application must necessarily be sent through registered electronic mail or by hard copy along with requisite document to the Compliance Officer. Within 2 (two) Trading Days of the receipt of such application, the Compliance Officer shall either clear the requested deal or refuse to clear the deal by giving the reasons thereof in writing.
- 6.4** If such Person does not receive any response from the Compliance Officer within the period of 3 (three) Trading Days, then the requested transaction shall be deemed to have been cleared by the Compliance Officer.
- 6.5** Trades that have been pre-cleared would have to be executed by the Designated Person within seven trading days from the date of pre clearance. The necessary disclosure of such transaction to be made in Annexure IV. In case the same is not executed within the period of seven days, the pre-clearance will lapse and fresh pre-clearance would be needed for the trade to be executed.
- 6.6** A Designated Person and/or his/her Immediate Relative who is permitted to trade shall not execute a contra-trade for a period of six months. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate this Code and/or the Regulations. Should a contra-trade be 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 Education and Protection Fund administered by SEBI under the Act. This shall not be applicable for trades pursuant to exercise of stock options.
- 6.7** In addition to the forms of disclosure and applications specified in this Code, the Compliance Officer shall stipulate such formats as the Board of Directors deems necessary from time to time for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with the Regulations.

6.8 Trading Plans:

A Designated Person, for himself and/or for his/her Immediate Relatives is entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out by such person/s in accordance with such plan. The Trading Plan shall be subject to the following conditions:

- (a) No trading can be commenced pursuant to the Trading Plan until a period of six months has elapsed from the public disclosure of the plan.
- (b) No trading can be done during the “Restricted Period”, which would include 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 Company and the second Trading Day after the disclosure of the financial results;
- (c) The trading under the Trading Plan must be for a period of at least 12 months.
- (d) The Trading Plan cannot overlap with any period for which another Trading Plan is already in existence for such person.
- (e) The Trading Plan shall 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;
- (f) The Trading Plan cannot entail trading in securities for market abuse.
- (g) The Trading Plan, once approved, shall be irrevocable and such person shall mandatorily have to implement the plan without any deviation and without executing any trade in securities outside the scope of the Trading Plan.
- (h) The Compliance Officer shall review the Trading Plan to assess whether the Trading Plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment to approve and monitor the implementation of the Trading Plan.
- (i) Such person/s shall not commence any implementation of the Trading Plan, if Unpublished Price Sensitive Information in possession of a Designated Person at the time of formulation of the Trading Plan has not become generally available at the time of the commencement of implementation of the Trading Plan, in which case the commencement of the Trading Plan shall be deferred until such Unpublished Price Sensitive Information becomes generally available.
- (j) Once the Trading Plan is approved, the same shall be informed to the Stock Exchanges by the Compliance Officer.
- (k) The Trading Plan shall be prepared and submitted in the format as set out in **Annexure V**.

7 Disclosures:

- 7.1.** The disclosures of trading in securities as provided in this Clause shall also include trading in derivatives of securities, if any and the traded value of the derivatives shall be taken into account provided that trading in derivatives of securities is permitted by any law for the time being in force.

The disclosures made shall be maintained by the Company and the Designated Person for a minimum period of five years in such form as may be specified.

7.2 Initial Disclosures:

Every Designated Person shall disclose his holding of securities of the Company as on the date of the coming into effect of the Regulations, to the Company within thirty days of the Regulations taking effect in the format as set out in **Annexure VI**.

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or member of Promoter Group of the Company shall disclose his holding of securities of the Company as on the date of his appointment or becoming a Promoter, to the Company within a period of seven days of such appointment or becoming a Promoter in the format as set out in **Annexure VII**.

7.3 Continual Disclosures:

Every Designated Person shall disclose in the prescribed format as set out in **Annexure VIII** to the Company the number of such securities of the Company acquired or disposed off 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 Rupees Ten Lakhs or such other value as may be specified.

The Company shall notify the particulars of such trading to the stock exchanges on which the securities of the Company are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

The Board of Directors may require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company in the format as set out in **Annexure IX** and at such frequency as may be determined by the Company in order to monitor compliance with the Regulations.

The Compliance Officer shall place before the Chairman of the Audit Committee or to the Chairman of the Board of Directors, on quarterly basis, all the details of the trading in securities of the Company under Clause 6 and the accompanying documents that such persons had executed under the aforesaid preclearance of trade and/or Trading Plan.

8 Penalty for Contravention of the Code:

8.1 Every Designated Person and Connected Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her Immediate Relatives). Every Designated Person(s) who violates this Code shall be subject to disciplinary action by the Company. Such disciplinary action may include salary freeze, suspension, termination of employment/engagement, ineligibility for future participation in ESOP plan, recovery, claw-back, penalty and such other actions as may be deemed appropriate by the Company.

8.2 Any action taken pursuant to the above shall be independent of any action liable to be taken by SEBI for violation of the Regulations. This may include civil as well as criminal prosecution against the Designated Persons, other Connected Person and/or the Immediate Relatives, including any disgorgement of profits as SEBI may direct.

Explanation: For the purpose of this chapter, any acts, deeds, matters or things amounting to contravention/violation of this Code committed by or caused to be committed by Immediate Relatives of the Designated Person(s) shall be treated as the contravention/violation by such Designated Person and hence shall be liable for disciplinary/penal action as contemplated in this chapter.

9 Information to be given in case of violation of the Regulations:

In case it is observed by the Board of Directors that there has been a violation of the Regulations, they shall inform SEBI promptly.

10. Submission of Information:

(i) All Designated Persons shall be required to disclose the names and Permanent Account Number of the following persons to the Compliance Officer of the Company on an annual basis and as and when there is any change in the information:

(a) immediate relatives;

(b) persons with whom such Designated Person(s) shares a material financial relationship and

(c) Telephone and Mobile numbers which are being used by them

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

- (ii) In addition, the names of educational institutions from which the Designated Persons have graduated and names of their past employers shall also be disclosed on a one time basis.

11. Chinese Wall:

No Insider shall communicate Unpublished Price Sensitive Information to any other person except on a need-to-know basis for furtherance of the Insider’s legitimate purposes by permitting such other person to cross the Chinese Wall.

12. Protection Against Retaliation and Victimization for Reporting Suspected Violations:

Any Employee who reports any alleged violations of Insider Trading laws in accordance with the Informant Mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated 17th September 2019, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

13. Savings Clause:

If any rules under the Code are in conflict with or inconsistent with the Regulations, the Regulations, as modified/amended, shall prevail and shall be deemed to have been included in this code.