

VINYL CHEMICALS (INDIA) LTD.

WHISTLE BLOWER POLICY& VIGIL MECHANISM

*(Framed pursuant to Sec. 177(9) of the Companies Act, 2013, Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv)& Regulations 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(As approved by the Board of Directors of the Company at its Meeting held on 19th May, 2014 and further amended at the Board Meeting held on 28th January, 2020, 17th January, 2025 and 30th July, 2025)*

1. Preface:

Vinyl Chemicals (India) Limited (the Company) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the Code of Conduct, which lays down the principles and standards that should govern the actions of the Employees in the course of conduct of business of the Company. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. There is also a mechanism called 'Sampark' which is a one-stop solution provider for all the employees to express, their views and thoughts openly.

The role of the employees in pointing out such violations of the Code cannot be undermined. It is therefore imperative for the Company to have a Whistle Blower Policy (the Policy).

2. Objective:

The objective of the Policy is for the benefit of Employees, who have concerns about suspected misconduct, fraudulent or unethical practices including leak or misuse of Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI, to come forward and express their concerns without any fear of punishment or unfair treatment.

3. Key Definitions:

The definitions of some of the key terms used in this Policy are given below.

Terms not defined in the policy shall have the meaning as defined in the Companies Act, 2013.

- a. **“Employee”** means every employee of the Company and shall include the Directors of the Company.
- b. **“Investigators”** means those persons or external agencies who are authorised, appointed, consulted or approached by the Whistle Officer or Whistle Blower Committee or Audit Committee or the Chairman thereof. Investigators include the Auditors of the Company, the police or any other investigating officer appointed as such. It is clarified that this does not take away the authority of the Whistle Officer or the Whistle Blower Committee to conduct any investigation into any matter referred to him/her/ it.
- c. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity, that could have an adverse impact on the operations, performance or reputation of the Company.
- d. **“Subject”** means an employee against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- e. **“Unpublished Price Sensitive Information “or “UPSI”** shall have the same meaning as defined in Regulation 2(n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time which is reproduced in Schedule I attached to this policy and the same shall be treated as part of the Policy.
- f. **“Whistle Blower ““** means an Employee or director or any stakeholder making a Protected Disclosure under this Policy.
- g. **“Whistle Officer”** means an Officer who is nominated/appointed to conduct detailed investigation of the disclosure received from the Whistle Blower and recommend disciplinary action. The Company Secretary and the Compliance Officer shall be the Whistle Blower Officer of the Company

4. Scope of policy:

This Policy covers all employees of the Company and includes the Directors of the Company.

Any employee belonging to the Company can avail the channel provided in this Policy for making a Protected Disclosure.

5. Protected Disclosure can be made for the following type of concerns, but is not limited to:

- i. Abuse of authority
- ii. Breach of Contract
- iii. Unethical behaviour
- iv. Actual or suspected fraud
- v. Violation of the Company's Code of Conduct
- vi. Financial irregularities including fraud
- vii. Deliberate violation of law/regulations
- viii. Actual or suspected leak of UPSI

This Policy should not be used as a route for raising malicious or unfounded allegations against colleagues or for settling any personal grievance.

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Whistle Officer or the Audit Committee or the Chairman thereof or the Investigators.

6. Protection and Disqualifications:

- a. The Whistle Blowers will be accorded complete protection from any adverse action/unfair treatment consequent to making a Protected Disclosure under this Policy. However, making a Protected Disclosure containing a false or bogus allegation or made with a mala fide intention, shall make the concerned Whistle Blower liable for disciplinary action.
- b. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted by law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Investigators / Chairman of the Audit Committee (e.g. during the investigations carried out by Investigators).
- c. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

7. Confidentiality:

The Whistle Blower, the Audit Committee, Investigators and all persons involved shall maintain confidentiality of the subject matter. The identity of the Whistle Blower shall be kept confidential and others assisting in the said investigation or furnishing evidence shall also be kept in private. If any of the persons are found not complying with the above, he/she shall be liable for disciplinary action.

8. Procedure:

Making Protected Disclosure

- a) The Protected Disclosure can be lodged by sending a letter to the below mentioned address:

The Whistle Officer,
Vinyl Chemicals (India) Limited,
Regent Chambers, Jamnalal Bajaj Marg,
208, NarimanPoint,
Mumbai 400 021.

or

- b) In the form of an email to be sent to:

cs.vinylchemicals@pidilite.com

The Protected Disclosure must include the precise details of the concern including names of subject(s) involved in the same.

9. Enquiry and Investigation:

Preliminary Enquiry is a fact-finding exercise. The object of Preliminary Enquiry is to ascertain the truth or otherwise of the allegations contained in the Protected Disclosure, if any and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Whistle Officer shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected misconduct. If the Whistle Officer is of the opinion that the disclosure received has no basis then it shall be dismissed. If the matter needs to be investigated further the Whistle Officer shall order an investigation and appoint persons necessary for conducting the same.

After evaluating the merits of the case, the Whistle Officer shall recommend appropriate action to the Management on completion of the investigation. The Management shall deliberate on the report so submitted and take appropriate disciplinary action which will depend on the circumstances and seriousness of the matter. The disciplinary action(s) may include, wage freeze, suspension, recovery, termination of employment contract/ agreement etc., as may be decided by the Management.

Upon receipt of Protected Disclosure relating to such leakage/suspected leakage of UPSI, the same would be investigated in accordance with the procedure as detailed in the Policy for procedure of leak of UPSI and as per Insider Trading Regulations, steps shall be taken to inform SEBI promptly.

10. Rights of Subject:

Subjects will normally be informed of the allegations at the outset of a formal investigation and have the opportunity for providing their inputs during the investigation.

11. Duties / Responsibilities of Subject:

Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

12. Direct access to the Chairman of the Audit Committee:

A Protected Disclosure against any Director, Key Managerial Personnel or the Whistle Officer can be made directly to the Chairman of the Audit Committee. Also, in exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation, he/ she can make a direct appeal to the Chairman of the Audit Committee.

Such matters will be directly accessed by the Chairman of the Audit Committee, who will then direct a person of his choice to investigate and report the outcome to him within a stipulated time frame. The report of such investigation shall be tabled at the next meeting of the Audit Committee and appropriate action/ redressal shall be recommended to the Management, in consultation with the Audit Committee.

13. Reporting:

A quarterly report with the number of complaints, if any, received under the Policy and their outcome shall be placed before the Audit Committee.

14. Retention of documents:

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

15. Amendment:

The Company for good corporate governance may establish further rules and procedures, from time to time, to give effect to the intent of this Policy. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company.

16. Dissemination:

This Policy shall be appropriately communicated within the Company. A copy of the same shall also be disclosed on the Company's website and the required details shall be mentioned in the Report of the Board of Directors of the Company.

Reviewed at the Board Meeting held on 4th May, 2023.

Schedule I

"Unpublished Price Sensitive Information or UPSI" means any information, relating to a Company or its securities, directly or indirectly, that is not Generally Available Information 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: –

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- v. changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- vi. change in rating(s), other than ESG rating(s);
- vii. fund raising proposed to be undertaken;
- viii. agreements, by whatever name called, which may impact the management or control of the company;
- ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- x. resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- xii. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the company
- xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (ix):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent

and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.]

Note: This Schedule shall be amended to give effect to the amendment of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as may be carried out from time to time.