

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR DIRECTORS AND DESIGNATED EMPLOYEES

I. Applicability:

1. This code is applicable to all Directors and the Designated Employees of the Company.
2. The restrictions on the dealing in securities shall also be applicable to the immediate relatives of the Directors and Designated Employees.

II. Definitions:

1. "Board" means The Board of Directors of V-Guard Industries Limited
2. "Company" means V-Guard Industries Limited
3. "Compliance Officer" means Company Secretary or such person as the Board may appoint from time to time, to be the Compliance Officer in relation to this code.
4. "Designated employee" means and includes :
 1. Key Managerial Personnel
 2. All those employees who have been granted and vested ESOP and other departmental heads.
 3. any other Employee as may be designated by the Compliance Officer in consultation with the Managing Director of the Company considering the objectives of the Code.
5. "Immediate relative" means 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 decision relating to trading in securities.
6. "Insider trading" means—
 - (i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or
 - (ii) an act of counselling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person

7. “generally available information” means information that is accessible to the public on a non – discriminatory basis.
8. “trading” means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities and “trade” shall be construed accordingly.
7. “ Unpublished price sensitive information” means any information, relating to a company or its securities , directly or indirectly , that is not generally available which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 -
 - (i) Financial results
 - (ii) Dividends
 - (iii) change in capital structure
 - (iv) mergers, demergers, acquisitions, delistings, disposals and expansion of business and such other transactions
 - (v) changes in key managerial persons and
 - (vi) material events in accordance to the listing agreement
8. “Trading Window” means a period to be specified by the Company in which trading of securities can be done by the Directors, Designated employees and their immediate relatives.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 , the Securities (Contracts Regulation) Act, 1956 , the Depositories Act 1996,the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Companies Act, 2013, or any statutory modification or re-enactment thereto, as the case may be.

III. Compliance Officer

1. Compliance Officer” means Company Secretary or such person as the Board may appoint from time to time, to be the Compliance Officer in relation to this code.
2. The Compliance officer shall :
 - (a) Be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of price sensitive information, monitoring of trades and implementation of codes specified in the SEBI (Prohibition of Insider Trading) Regulations, 2015 under overall supervision of the Board of Directors.
 - (b) Maintain a record of the designated employees or any changes in the designated employees.
 - (c) Assist all the employees in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct of the Company.

IV. Preservation of Price Sensitive Information

1. Directors and designated employees shall maintain the confidentiality of the information and shall not pass on the information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
2. Directors and designated employees shall handle the unpublished price sensitive information on a "need to know" basis and shall not disclose such information except to those persons within the company who require such information in order to discharge their duties and whose possession of such information will not give rise to conflict of interest or misuse of the information.
3. Files containing confidential information shall be kept secure. Computer files shall have adequate security of login, password etc.

V. Prohibition to buy / sell securities of the company

Directors and designated employees, when in possession of unpublished price sensitive information shall not deal in the securities of the company either on their own behalf or on behalf of any other person or communicate, counsel or disclose any unpublished price sensitive information except in a manner permitted by law.

VI. Restrictions on dealing in securities by Directors / Designated employees / their dependents

Directors / designated employees / their immediate relatives shall be subject to the following restrictions on dealing in securities of the company :

1. The Directors / designated employees / their immediate relatives shall conduct all dealings in the securities of the company only in a valid and open trading window.
2. The Directors / designated employees / their immediate relatives shall not deal in the securities of the company during the closure of the trading window or during such periods as may be specified from time to time by the Board.

The Trading window shall remain closed interalia during the time of :

- (1) Declaration of financial results.
- (2) Declaration of dividend.
- (3) Issue of securities.
- (4) Any major expansion plan or execution of new projects.
- (5) Amalgamation/merger/take over/buy-back.
- (6) Disposal of whole or substantially whole of the undertaking.
- (7) Any change in policies, plan, or operation of the Company.

3. For the purpose of declaration of quarterly /yearly financial results the trading window will remain closed normally from the 5th day of the month succeeding the quarter / year end or in special circumstances the date from which the Company declares the trading window as closed, and until 48 hours after the price sensitive information are made public.
4. For Board Meetings other than the quarterly Board meetings, the period of closure shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, up to 48 hours after the Price sensitive information is submitted to the Stock Exchange or such other period prescribed by the Board of Directors.
5. In case of Employee Stock Options, the exercise of the option is not allowed during the period of closure of the trading window.

VII. Pre-clearance of Trades

1. Directors, designated employees or their immediate relatives who intend to deal in securities of the company should pre-clear the transaction from the Compliance Officer.
2. Designated employees shall apply for preclearance through Company's official e-mail id.
3. For Director, Immediate relatives of directors and immediate relatives of designated employees an application is to be made to the Compliance officer as per the prescribed format -Annexure-I indicating the estimated number of securities that he/she intends to deal in, the details of securities held in physical form as to Folio No., the details as to the depository with which he has a depository account, the details as to the securities in such depository mode and such other details.
4. All directors/ designated employees/ their immediate relatives shall execute their order within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, a fresh pre-clearance shall be taken.

Directors and Designated Employees who buy or sell any number of securities of the Company shall not enter into an opposite transaction (i.e. sell or buy) for any number of securities for the six months period following the prior transaction. In case of execution of opposite transaction, inadvertently or otherwise, in violation of above said restriction, the profits from such trade shall liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education fund.

There is no minimum holding period for shares allotted under Employee Stock Option schemes.

VIII. Disclosures

Initial Disclosure

1. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

Continual Disclosure

2. Every promoter, employee and director of the company shall disclose to the company the number of securities acquired or disposed of 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 ten lakh rupees or such other value as may be specified.
3. All Directors and Designated Employees shall annually disclose to the Company details of parent, siblings and child of the said persons or of the spouse whom is either dependent financially or consults said persons in taking decisions relating to trading in securities. This is for ascertaining immediate relatives of Directors and Designated Employees. Spouse of Directors and Designated Employees shall be considered as immediate relative for the purpose of this code even if they do not satisfy above said criteria.

IX. Penalties for contravention of Code

1. Any Director/Designated Employee who violates the code of conduct specified above shall be punished by appropriate action by the Company. Employees who violate this code shall also be subject to disciplinary action of the Company, which may include wage freeze, suspension, debar from participating/future participation in ESOP.
2. However, in case of violation of SEBI (Prohibition of Insider Trading) Regulations 2015 , as amended till date, any action taken or which may be taken by the Company shall not preclude SEBI from taking any action.

X. Information to SEBI in case of violation

In case it is observed by the Company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 , as amended till date, SEBI shall be informed by the Company.

XI. General

A copy of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended till date, is available from the office of the Compliance Officer. Employees are advised to acquaint themselves with their obligations under the Regulations. The Compliance Officer is available for clarification / assistance that may be necessary.