

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

INTRODUCTION

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as ‘the Regulations’).

Sub-regulation (1) of Regulation 9 inter alia; requires all listed companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders by adopting the minimum standards as set out in Schedule B to the Regulations.

Accordingly, Vyara Tiles Limited (“Company”) has formulated this Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons (hereinafter referred as the Code of Conduct or the Conduct or the Code).

All the Directors, Designated Persons, officers and connected persons of the Company are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Code.

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (“UPSI”) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer, Designated Person and connected person of the Company has a duty to safeguard the confidentiality of all such UPSI obtained in the course of his or her work at the Company. No Director, Officer, Designated Officer and connected persons may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

All Directors/ Designated Persons are required to confirm their understanding of an agreement to comply with the Code by signing a Declaration in the format prescribed in ‘Annexure A’.

DEFINITIONS

“Act” means the Securities and Exchange Board of India Act, 1992;

“Board” means the Securities and Exchange Board of India;

“Code” or “Code of Conduct” shall mean the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of Vyara Tiles Limited, as amended from time to time.

“Company” means Vyara Tiles Limited.

“Compliance Officer” means Company Secretary or any senior officer designated by Board, who is financially literate (i.e. having ability to understand basic financial statements) and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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 specified in these regulations under the overall supervision of the Board.

Explanation – For the purpose of this code, **“financially literate”** shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

“Designated Persons” shall include a person occupying any of the following position in the company:

- (a) All Directors on the Board
- (b) Promoters
- (c) All Key Managerial Personnel
- (d) Chief Executive Officer and employees up to two levels below Chief Executive Officer,
- (e) of the Company and its material subsidiaries
- (f) All Employees in the Finance & Accounts, Legal, Secretarial & Compliance department of the Company and its material subsidiaries.
- (g) Any other employee including support staff such as IT staff and secretarial staff who have access to UPSI as may be determined and informed by the Compliance Officer from time to time in consultation with the Board.

The “Connected Person” this term shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include such other persons as may be identified by the Board to be Connected Persons from time to time.

“Insider” means any person who is:

- (a) a connected person; or
- (b) in possession of or having access to unpublished price sensitive information.

“Trading” 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 recognized stock exchanges are 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, delistings, disposals and expansion of business and such other transactions;
- (e) changes in key managerial personnel.

“Employee” means every employee of the Company including the Directors in the employment of the Company;

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

“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;

Words and expressions used and not defined in this code but defined in the Regulations, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

This Code is intended to govern the “Regulating”, “Monitoring” and “Reporting” of trading by insiders in shares of the Company by the Company.

ROLE OF COMPLIANCE OFFICER

The Company Secretary has been designated as the Compliance officer of the Company and his duties and roles shall be as follows:

- (a) The Compliance Officer shall report to the Board of Directors of the Company in respect of the matters covered in this Code and in particular, shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the Board of Directors on quarterly basis or at such other frequency as may be stipulated from time to time by the Board of Directors but not less than once in a year.
- (b) The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and shall administer the Company’s Code of Conduct and other requirements under the SEBI Regulations.
- (c) The Compliance Officer shall maintain a record of Designated Persons and any changes made to the list of Designated Persons and all declarations / forms submitted by them.
- (d) The Compliance Officer shall be responsible for monitoring the implementation of the Policy under the overall supervision of the Board.

- (e) He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under rules and regulations promulgated by SEBI or the Stock Exchanges;
- (f) He shall place details of the dealing in the securities by Designated Persons before the Managing Director, as may be required, and the accompanying documents that such persons had executed under the pre-dealing procedure as mentioned in this Policy.
- (g) The Compliance Officer shall do all such other things as provided in the Regulations and as may be prescribed by SEBI from time to time.

PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- (a) All information shall be handled within the Company on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Explanation: For the purpose of above Clause, 'legitimate purpose' shall mean sharing of information by the Company with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants in its ordinary course of business.

- (b) The Company shall however, in no circumstances share information solely for the purpose of evading the compliances of the Regulations or circumventing the prohibitions of these Regulations.
- (c) Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
 - (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company;
 - (ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that sharing such information is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

- (d) Need to Know: “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. All non-public information directly received by any employee should immediately be reported to the head of the department.
- (e) Confidential Information / UPSI shall be kept with adequate security. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.
- (f) Digital database of information:

The Board of Directors shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The Board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

- (g) Chinese Walls:

To prevent the misuse of UPSI, the Company shall follow the ‘Chinese Wall’ approach and separate those departments which routinely have access to such information, considered as “inside areas” from other departments, considered as “public areas”.

Employees in the inside areas shall not be allowed to communicate any UPSI to anyone in the public areas, except as may be required on a need-to-know basis, performance of duties or discharge of legal obligations or for Legitimate Purpose in accordance with the Code and the Regulations.

PREVENTION OF MISUSE OF ‘UNPUBLISHED PRICE SENSITIVE INFORMATION’ (UPSI)

Designated Persons and immediate relatives of designated persons in the Company shall be governed by an internal code of conduct governing dealing in securities.

No insider shall trade in securities of the Company on a stock exchange when in possession of unpublished price sensitive information.

TRADING PLAN

- (a) An insider shall be entitled, at his option, to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out with such plan.
- (b) Such trading plan shall:
- not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the plan;
 - not entail trading for 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 issuer of the securities and the second trading day after the disclosure of such financial results;
 - entail trading for a period of not less than twelve months;
 - not entail overlap of any period for which another trading plan is already in existence;
 - 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; and
 - not entail trading in securities for market abuse.
- (c) The Compliance Officer shall review such trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan and trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.
- (d) The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
- (e) However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, any UPSI in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information.
- (f) Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

TRADING WINDOW AND WINDOW CLOSURE

The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he 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.

- (a) The trading period, i.e. the trading period of the stock exchanges, called the 'trading window', is available for trading in the Company's securities.
- (b) The trading window shall be made applicable from the end of every quarter till 48 hours after declaration of financial results. Trading Window for events other than financial results shall be closed for the period as may be determined by the Compliance Officer of the Company from time to time.
- (c) The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
- (d) During closure of trading window, Designated Persons (and their immediate relatives) shall not trade in the securities of the Company.
- (e) All Designated Persons (and their immediate relatives) shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred above or during any other period as may be specified by the Company from time to time.

PRE-CLEARANCE OF TRADE

- (a) When the trading window is open, any Designated Person (and/or their immediate relative) shall trade in Securities of the Company subject to pre-clearance by the Compliance Officer 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 Rs.10 Lakhs (market value) should pre-clear the transaction. However, no Designated Person shall be entitled for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the trading window is not closed.
- (b) Designated Person (and/or their immediate relative Specified Person) who proposes to execute trade in Securities of the Company shall submit an application duly filled and signed to the Compliance Officer. The format of application is annexed as 'Annexure B'. It is clarified that the designated person should submit the application on behalf of his/her immediate relative(s), for trades proposed to be executed by the immediate relative(s).
- (c) Prior to approving any trades, the Compliance Officer shall seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

- (d) The Compliance Officer shall approve/ reject pre-clearance application within four trading days in 'Annexure C'.
- (e) Designated Person shall execute pre-cleared trade within seven trading days from approval and shall report his trade details to Compliance Officer in 'Annexure D' within two trading days from the trade. In case non-trading, Designated Person shall report his decision of non-trading along with reasons to Compliance Officer in 'Annexure D'.
- (f) In case of failure in executing trade within seven trading days, Designated Person shall be required to take fresh pre-clearance for the trades to be executed in 'Annexure B'.
- (g) Designated Person who is permitted to trade shall not execute a contra trade within next six months from previous transaction. The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing without violating the Regulations. If contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India for credit to the Investor Protection and Education Fund.

DISCLOSURE BY CERTAIN PERSONS

Initial Disclosure:

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of Securities 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:

Every promoter, member of the promoter group, designated person and director of the Company shall disclose to the Company the number of such 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 Rs.10 lakhs rupees. The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two working days of receipt of the disclosure or from becoming aware of such information.

Annual Disclosure:

Every promoter, director and Designated Person of the Company shall provide the annual disclosure to the company wherein they shall disclose their holding of Securities on annual basis within 60 days from conclusion of every financial year of the Company.

Other Disclosures:

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:

- a) Immediate Relatives
- b) Persons with whom such designated person(s) shares a material financial relationship; and
- c) Phone, mobile and cell numbers which are used by them.

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 from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.

Designated persons shall also disclose on a one time basis the names of educational institutions from which designated persons have graduated and names of their past employers.

PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT INSIDE ON SENSITIVE TRANSACTIONS

The Compliance Officer in consultation with Board of the Company shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s). The Compliance Officer (along with Board of directors) shall consider whether such person being wall-crossed, is being provided UPSI on a need – to – know basis. Further, information shared with such wall-crosser should be limited to the specific transaction or purpose for which their assistance is required.

Additionally, a person(s) may also be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- (a) in the ordinary course of business
- (b) in furtherance of performance of duty(ies);
- (c) for discharge of legal obligation(s).
- (d) for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company.
- (e) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

INTIMATION OF DUTIES AND RESPONSIBILITIES AND THE LIABILITY TO THE PERSON(S) WHO HAS/HAVE BEEN BROUGHT INSIDE' ON SENSITIVE TRANSACTION(S)

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an 'insider' for purposes of this Code and due notice shall be given to such persons, in the format as set out in by the Compliance Officer in consultation with directors and/or CFO of the Company;

- (a) To make such person aware that the information shared is or would be confidential.
- (b) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (c) To make such person aware of the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

PENALTY

Any Designated Person who contravenes the Code of Conduct shall be penalised and shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback etc. The Company shall promptly inform Securities and Exchange Board of India regarding any violation of the Code of Conduct.

‘ANNEXURE A’

Declaration by Director / Designated Person

To,
The Compliance Officer
Vyara Tiles Limited
(Formerly known as Vyara Tiles Private Limited)

I, the undersigned, being a Director / Designated Person as defined under Code of Conduct to Regulate, Monitor and Report Trading by Directors / Designated Persons (the ‘Code’) of Vyara Tiles Limited (Formerly known as Vyara Tiles Private Limited) (the ‘Company’), hereby declare and confirm as under:

- (a) I have received, read and understood the Code;
- (b) I agree to comply with the Code and that I and my Immediate Relatives shall be bound by the Code to the extent applicable to us;
- (c) I agree to hold the Company harmless in the event of any investigation against me and / or my Immediate Relatives for any insider trading by the regulatory agencies;
- (d) I agree to compensate the Company for all economic losses, loss / damage to the Company's public image, fines imposed on the Company, any penalty imposed on the Company, suffered in or as a result of any investigation by regulatory agencies into my or my Immediate Relatives Trades; and
- (e) I agree to compensate the Company for all legal expenses incurred in defending itself in such investigations.

Yours faithfully,

Signature:

Name:

Designation:

Date:

Place:

‘ANNEXURE B’
Application cum Undertaking for Pre-clearance

To,
The Compliance Officer
Vyara Tiles Limited
(Formerly known as Vyara Tiles Private Limited)

Sub.: Application for Pre-dealing in securities of the Company

Dear Sir/Madam,

With reference to **Vyara Tiles Limited** (Formerly known as Vyara Tiles Private Limited) Code of Practices Procedure and Conduct to Regulate, Monitor and Report Trading by Insiders (‘Code of Conduct’), I _____, _____ (Designation & Dept.) of the Company, would like to purchase / sale _____ equity shares of the Company as per details given below:

| Sr. No. | Particulars | |
|---------|---|--|
| 1. | Total No. of Securities held as on application date | |
| 2. | DP & Client ID / Folio No. | |
| 3. | Nature of Transaction – Purchase / Sale | |
| 4. | No. of Securities to be purchased / sold | |
| 5. | Name of Person who proposed to Trade | |

I hereby declare that there will be no opposite transaction for 6 (six) months as per the Code of Conduct of the Company.

I hereby further declare and undertake that I do not have any access nor have I received ‘Unpublished Price Sensitive Information’ (UPSI) upto the date of this application. In the event of me having access to or receiving UPSI after the date of signing this application but before the execution of the transaction, I undertake to inform the Compliance Officer of the change in this position and shall completely refrain from trading in the Company’s Securities till the time such information becomes public.

I hereby also declare that I have not contravened the Code as notified by the Company from time to time. I have made full and true disclosure to the Company in the matter.

Yours faithfully,

Signature:

Name:

Designation:

‘ANNEXURE C’
Approval / Rejection of Pre-clearance

To,

Name:
Designation:

Dear Sir/Madam,

With reference to your application and on the basis of information submitted by you and relying entirely upon the application cum undertaking given dated _____, we would like to inform you that your application to purchase / sale _____ equity shares of the Company is hereby approved / rejected. Now, you can execute your trade within 7 trading days from the date of this approval. Further, you are required to submit a report your trade details within two trading days from trade or in case, no trade was executed, you are required to submit a ‘Nil’ report. In case, you do not execute a trade before within the specified time, you shall submit a fresh pre-clearance application before executing any transaction in the Securities of the Company.

Yours faithfully,

For Vyara Tiles Limited
(Formerly known as Vyara Tiles Private Limited)

Company Secretary & Compliance Office

Date:
Place:

**‘ANNEXURE D’
Reporting of Trade / Transaction**

To,
The Compliance Officer
Vyara Tiles Limited
(Formerly known as Vyara Tiles Private Limited)

Dear Sir/Madam,

According to approval of pre-clearance dated _____, I have executed a trade/
transaction on _____ (date). The detail of said trade / transaction is as under:

| Sr. No. | Particulars | Details |
|---------|---|---------|
| 1. | Name of holder | |
| 2. | No. of Securities purchased / sold | |
| 3. | Average gross price per security (In Rs.) | |
| 4. | DP ID & Client ID / Folio No | |

Yours faithfully,

Signature:

Name:

Designation: