



CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UPSI

Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015

VARDHMAN APPLIANCES LIMITED

CIN: U27509DL2023PLC418176

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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

INTRODUCTION AND APPLICABILITY

Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (hereinafter referred to as "PIT Regulations"), the Board of Directors of a company, whose securities are listed on a stock exchange, is required to formulate and publish on its official website, a Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI).

Applicability:

This code shall be applicable to all the persons of the Company who could possess Unpublished Price Sensitive Information relating to the Company.

This Code has been adopted by the Board of Directors (defined below) at its meeting held on and comes into effect on 26th March, 2026.

In the event of any conflict between the provisions of this Policy and of the SEBI Insider Trading Regulations or any other legal requirement ("Applicable Law"), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment/modification to the Applicable Law shall automatically apply to this Policy.

Definitions

"Act" means the Securities and Exchange Board of India Act, 1992 and any amendments thereto;

"Applicable Law" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto, or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.

"Audit Committee" means Audit Committee of the Board of Directors constituted as per the regulatory requirements.

"Board" means the Securities and Exchange Board of India;

"Board of Directors" means the Board of Directors of Vardhman Appliances Limited;

"Code of Conduct" shall mean this Code of Conduct formulated under SEBI(Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

"Company" means Vardhman Appliances Limited;

"Companies Act" means Companies Act, 2013 and the Rules made there under and any amendments thereto;

"Compliance Officer" means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case Board of Directors is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these 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 specified in these regulations under the overall supervision of the Board of Directors of the Company, as the case may be.

"Connected Person" means-

(i) any person who is or has been, during the six months prior to the concerned act, associated with the Company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the Company, that allows such a person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.

(ii) 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, -

- (a). a relative of connected persons specified in clause (i); or
- (b). a holding company or associate company or subsidiary company; or
- (c). an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- (d). an investment company, trustee company, asset management company or an employee or director thereof; or
- (e). an official of a stock exchange or of clearing house or corporation; or
- (f). 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
- (g). 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, or
- (h). an official or an employee of a self-regulatory organization recognized or authorized by the Board of Directors; or
- (i). a banker of the Company; or
- (j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a Director of the Company or his relative or banker of the Company, has more than 10% (ten per cent) of the holding or interest; or
- (k). a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- (l). a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);

"Designated Person(s)" includes:

- All Directors on the Board
- Promoters
- All Key Managerial Personnel
- Chief Financial Officer and employees up to two levels below the Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their role in the company or ability to have access to unpublished price sensitive information.
- All Employees in the Finance & Accounts, Legal, Secretarial & Compliance department of the Company and its material subsidiaries who have access to unpublished price sensitive information.
- Any other employee, including support staff such as IT staff and secretarial staff, who has access to UPSI as may be determined and informed by the Compliance Officer from time to time in consultation with the Board.

"Generally available information" means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;

(Information published on the website of a stock exchange, would ordinarily be considered generally available.)

"Insider" means any person who is:

- i. a connected person; or
- ii. in possession of or having access to unpublished price sensitive information;

“Key Managerial Personnel” shall have the meaning assigned to it under Section 2(51) of the Companies Act;

“Promoter Group” shall have the meaning assigned to it under Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **“SEBI ICDR Regulations”**).

“SEBI” shall mean the Securities and Exchange Board India;

“SEBI Insider Trading Regulation (s)” mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendments thereto.

“Securities” shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any other modification thereto.

“Support Staff” shall include IT staff or secretarial staff who may or have access to Unpublished Price Sensitive Information;

“Unpublished Price Sensitive information” (UPSI) 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 Securities of the Company 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;

Explanation:

“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.

“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 (the **“SEBI Listing Regulations”**).

- 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 misstatement 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: For identification of events enumerated above as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the SEBI Listing Regulations 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 SEBI Listing Regulations shall be applicable.

“Leak of UPSI” shall mean communication of information which is / shall be UPSI by any Insider, Employee and Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board of Directors of the Company after following the due process prescribed in this behalf in this Code and/or under SEBI Listing Regulations and/or the Regulations and any amendment, re-amendment or re-enactment thereto;

“Legitimate Purposes” shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI Insider Trading Regulations or of any other Regulations that may be in force for the time being.

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI Insider Trading Regulations, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 2018 or the Companies Act and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

Principals of Fair Disclosures

The Company shall follow the Principles of Fair Disclosures detailed hereunder:

1. Prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
3. Designation of a senior officer as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

8. Handling of all unpublished price sensitive information on a need-to-know basis.

Duties of the Compliance Officer: The Compliance Officer shall be responsible to:

- (a) Oversee the compliance with this Code.
- (b) Report the incident of actual or suspected leak of UPSI to the SEBI & Stock Exchange(s).
- (c) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (d) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the enquiry committee.

Disclosure of actual or suspected leak of UPSI to Stock Exchanges: Upon becoming aware of an actual or suspected leak of the Company's UPSI, either independently or through information received from any individual, the Compliance Officer shall ensure that: (a) the matter is referred to the enquiry committee for review; and (b) a report detailing the actual or suspected UPSI leak and its findings is promptly submitted to SEBI after the enquiry is concluded.

Constitution of Enquiry Committee

The Board of Directors, or any committee authorized by them for this purpose, shall establish an Enquiry Committee. The Enquiry Committee will consist of at least 3 (three) members, including the Executive Chairman, Chief Financial Officer, Compliance Officer, and any other officer of the Company as mutually agreed upon by the Enquiry Committee members.

The Enquiry Committee will be responsible for the following-

- (a) Conducting a preliminary enquiry to determine the validity of any information or complaint regarding an actual or suspected leak of UPSI; and
- (b) Authorizing any individual to gather necessary supporting materials and deciding on appropriate disciplinary actions based on the findings.

Procedure for Enquiry in Case of Leak of UPSI

Upon becoming aware, either proactively or otherwise, of an actual or suspected leak of UPSI within the Company by any Promoter, member of the Promoter Group, Director, Key Managerial Personnel, Senior Management Personnel, employee, Designated Person, Support Staff, or any other known or unknown individual, the concerned party, after informing the Executive Chairman or Chief Financial Officer, shall follow the procedure outlined below to investigate the matter and ensure:

- (a) Preliminary enquiry:
 - (i) The preliminary enquiry is a fact-finding process aimed at determining the validity of the allegations made in the information or complaint and gathering necessary evidence to support those allegations. Based on this, it will be decided whether disciplinary action is warranted.
 - (ii) The Enquiry Committee shall appoint and/or authorize any person(s) it deems appropriate to initiate and conduct the enquiry, gathering relevant facts and materials related to the actual or suspected leak of UPSI.
- (b) Report of preliminary enquiry to the Enquiry Committee: The person(s) appointed or authorized to investigate the actual or suspected leak of UPSI must submit their report to the Enquiry Committee within 7 (seven) days from the date of their appointment.
- (c) Proceedings before the Enquiry Committee: Upon receiving the report from the Investigating Officer and reviewing the evidence and representations made by the individual(s) suspected of

leaking UPSI, the Enquiry Committee will form an opinion. If it concludes that the person(s) are guilty of leaking or attempting to leak UPSI, the Enquiry Committee will initiate appropriate disciplinary action, which will be in addition to the penalties specified under the Regulations and any other applicable legal provisions.

- (d) **Disciplinary action:** The disciplinary actions may include, but are not limited to, wage freezes, suspension, recovery of losses, termination of employment contract/agreement, or other measures as decided by the members of the Enquiry Committee.

Procedure for responding to any queries/ requests for verification of market rumors by Stock Exchanges

1. The Compliance Officer, in consultation with MD or WTD or in the absence of Compliance Officer, other Authorized Person, shall give an appropriate, fair and prompt response to the queries by regulatory authorities / Stock Exchanges related to news reports and requests for verification of market rumours.
2. As and when necessary, the Company may on its own initiative, clarify, confirm or deny any reported event or information to Stock Exchange(s) with respect to any market rumours.

Policy for determination of Legitimate Purpose

In determining "Legitimate Purpose" for sharing of UPSI with any person, emphasis shall be given to the need for actions required in the ordinary course of business for the purposes of:

- i. performance of duties;
- ii. compliance with legal obligations;
- iii. pursuance of envisaged corporate actions resulting to UPSI;
- iv. meeting regulatory / statutory requirements;
- v. evaluation of business opportunities; and
- vi. other bonafide purposes, as required.

Digital Database

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 of the SEBI Insider Trading Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall not be outsourced and shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database. The information not emanating from the organization has to be entered into the structured digital database may be done not later than 2 (two) calendar days from the receipt of such information.

The Compliance Officer shall maintain record of the details of the recipients including their PAN, Address etc. of UPSI on legitimate purpose including the following:

- a) Whether the concerned UPSI is required to be shared and why the information is required by the recipient?
- b) Who had shared the UPSI and whether he was authorized to do so?
- c) Whether the Compliance Officer was intimated before such sharing of UPSI?

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 purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

The Board of Directors or head(s) of the organization 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.

If an Insider receives a query about any UPSI related to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code in consultation with Managing Director or Whole time Director of the Company.

Amendments

This policy will be reviewed periodically by the Board/ Committee as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to the Policy.

Interpretation

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Conflict

In the event of any conflict between this Code and the provisions contained in the applicable laws, the provisions of applicable laws shall prevail.

Disclosure

This Policy will be disclosed on the Company's website at www.vardhmanappliances.com

