



CODE OF CONDUCT DIRECTORS AND KMP

1.1 INTRODUCTION

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Regulations) seek to govern the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Insider Trading involves trading in the securities of a company listed or proposed to be listed, by connected or any persons in possession of or with access to unpublished price sensitive information not available to the general public, who can take advantage of or benefit from such unpublished price sensitive information. Trading in securities by an 'insider' is regarded unfair when it is predicated upon utilisation of 'inside' information to profit at the expense of other investors who do not have access to the same information.

Reliance Chemotex Industries Limited -Insider Trading - Code of Conduct was first adopted by the Board at a Meeting held on 30.03.2015. The Code of Conduct incorporates the amendments so as to align it with the new regulation i.e. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations").

1.2 OBJECTIVE OF THIS CODE OF CONDUCT

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the Regulations in order to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with the Regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

1.3 DEFINITIONS

(a) "Company" means Reliance Chemotex Industries Limited ("RCIL").

(b) "compliance officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these Regulations under the overall supervision of the board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 listed company or the head of an organization, as the case may be;

Explanation – For the purpose of this regulation, “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.”

(c) “*Connected person*” means:

(i) Any person who is or has during the 6 (six) months prior to the concerned act been associated with a 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.

(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) an immediate 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, 2013; or

(h) an official or an employee of a self-regulatory organization recognised or authorised by the Board; 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 a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

(d) “*Dealing in securities*” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;

(e) “*Designated Persons*” means:

- (i) Members of the Board of Directors of RCIL
- (ii) CEO, Company Secretary, CFO
- (iii) Auditors of RCIL
- (iv) All employees of the Accounts, Finance, Legal & Secretarial Department of RCIL at Head Office
- v) Head of Internal Audit Department, Legal Department;
- (vi) All Departmental Heads of the Company (For eg. Finance Head, Purchase Head, Sales Head etc);
- (vii) Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, to be decided by the Chairman/Managing Director/Whole-Time Director/ Compliance Officer/Chief Financial Officer, on a case-to-case basis; and
- (viii) All promoters of the Company
- (ix) Employees upto two levels below of Chief Executive Officer of the Company of their functional role in the company or ability to have access to unpublished price sensitive information;
- (x) Such other persons as may be identified by the Compliance Officer.

(g) “*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.

(h) “*Insider*” means any person who is:

- (i) Designated person(s) & their immediate relatives
- (ii) a connected person; or
- (iii) in possession of or having access to unpublished price sensitive information.

(i) “*Promoter*” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

(j) “*Securities*” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof, except units of a mutual fund.

(k) “*Price Sensitive Transactions*” shall mean any proposed / ongoing transaction or activity of and relating to RCIL and/or its securities, directly or indirectly, information of which is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the transaction(s) and/or events as mentioned in the definition of UPSI of this Code.

(l) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and "trade" shall be construed accordingly. Gifts, Off-market transactions, creation of pledge are also construed as a trade.

(m) "Trading day" means a day on which the recognized stock exchanges are open for trading.

(n) "Unpublished price sensitive information" ("UPSI") shall mean 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 include but not restricted to, information relating to the following;

(i) Periodical Financial Results of the Company;

(ii) Intended declaration of dividends (Interim and Final);

(iii) Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;

(iv) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, Disposals, Spin Off or Selling Division of Whole or Substantially Whole of the Undertaking and Expansion of Business and such other transactions;

(v) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;

(vi) Changes in Key Managerial Personnel;

(vii) Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(viii) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

1.4 COMPLIANCE OFFICER

RCIL has appointed the Company Secretary, as the Compliance Officer for the purposes of the Regulations, who shall work subject to guidance of the Managing Director and/ or the Chairman and the Board of Directors.

1.5 APPLICABILITY OF THIS CODE

This Code is applicable to the designated persons as may be specified by the Board of Directors and their immediate relatives. .

The Board of Directors shall in consultation with the compliance officer of the Company, shall determine the list of designated persons on the basis of their role and

function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation, who shall be covered by this code.

1.6 COMMUNICATION OR PROCUREMENT OF UPSI

(1) No insider shall communicate, provide, or allow access to any UPSI relating to RCIL or securities listed or proposed to be listed by RCIL, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(2) No person shall procure from or cause the communication by any insider of UPSI, relating to RCIL or securities listed or proposed to be listed by RCIL, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(3) Notwithstanding anything contained herein, UPSI 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 RCIL is of informed opinion that the 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 RCIL is of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitutes UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the RCIL Board of Directors may determine.

(4) For purposes of point (3) above, the Company shall require the parties to execute agreements/memorandum of understanding to ensure 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 the above point (3), and shall not otherwise trade in securities of RCL when in possession of UPSI.

1.7 TRADING IN RCIL SECURITIES

(i) Restriction on trading in RCIL Securities

No Insider shall trade in RCIL Securities at any time when he/she is in possession of any unpublished price sensitive information. Such insider shall also maintain the confidentiality of all price sensitive information and shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of RCIL Securities.

Note: When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

(ii) Joint holding

The provisions of this Code shall also be applicable for trading either as a first named shareholder or as a joint holder

1.8 DEFENSE TO INSIDER WHEN TRADING IN RCIL SECURITIES WHEN HAVING UPSI

Trading in RCIL Securities when in possession of any unpublished price sensitive information, the insider may prove his innocence by demonstrating the circumstances including the following: –

a) the transaction is an off-market inter-se transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

b) in the case of non-individual insiders: –

the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

c) the trades were pursuant to a trading plan submitted by the insider to the CIO.

1.9 CHINESE WALL

To prevent the misuse of confidential information, RCIL has laid down Chinese Walls procedures which separate those areas of RCIL that routinely have access to confidential information, considered "inside areas" from those which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

(i) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.

(ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.

(iii) All the unpublished price sensitive information is to be handled on “need to know basis”, i.e., Unpublished Price Sensitive Information should be disclosed only to those within RCIL 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 the non-public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

1.10 PRE-CLEARANCE OF TRADES

(i) All Designated Persons who intend to trade in the securities of RCIL (either in their own name or in any immediate relative’s name) i.e. buy or sell securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.1,00,000/- (Rupees One Lakh Only), should pre- clear the transactions by making an application in the format set out in **Annexure A** to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which(s) he has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of unpublished price sensitive information.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However for any subsequent sale of shares acquired under Employee Stock Options Plans / Schemes (ESOPs), pre-clearance shall be applicable as per limits prescribed as above.

(ii) An undertaking in Annexure B executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall incorporate, *inter alia*, the following clauses:

- That the Designated Person(s) and their immediate relative(s) does not have any access or has not received “Price Sensitive Information” upto the time of signing the undertaking.
- That in case the Designated Person(s) and their immediate relative(s) has access to or receives “Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction, he / she shall inform the Compliance Officer of the fact and that he / she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- That he / she has not contravened the Code of Conduct for prevention of Insider Trading as notified by the Company/SEBI from time to time.
- That he / she has made a full and true disclosure in the matter.

(iii) No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

(iv) The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.

(v) All Designated Persons of RCIL and their immediate relatives shall execute their order in respect of securities of RCIL within 7 (seven) days after the approval of pre-clearance in **Annexure C** is given. If the order is not executed within 7 (seven) days after the approval is given, the employee must obtain the pre-clearance for the transaction again.

1.11 NO TRADING PERIOD

(i) The trading period during which RCIL securities can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is un-published.

(ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in RCIL securities in such period.

(iii) The trading window shall be, *inter-alia* closed at the time of:

- (a) Declaration of Financial results
- (b) Declaration of dividends (interim and final)
- (c) Change in capital structure
- (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business
- (e) Changes in key managerial personnel
- (f) Material events in accordance with the listing agreement
- (g) Such other time as the Compliance Officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.

(iv) The Compliance Officer shall also close the trading window 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.

(v) The trading window shall be opened 48 (Forty Eighty) hours after the unpublished price sensitive information becomes generally available.

(vi) The trading restriction period can also be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.”

(vii) The trading window shall also be applicable to any person having contractual or fiduciary relation with RCIL, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising RCIL.

(viii) All Designated Person of the Company and their immediate relative(s) 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 Trading Window is closed as referred above or during any other period as may be specified by the Managing Director / Compliance Officer / Chief Financial Officer from time to time.

(ix) The Compliance Officer shall intimate the closure of Trading Window to all the Designated Person(s) of the Company when he / she determines that a designated person or class of Designated Person(s) 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.

(x) 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 48 (Forty Eight) hours after the information becomes generally available.

(xi) However, subject to the SEBI Act, Rules and Regulations, in case of ESOPs, exercise of options shall be allowed during the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the trading window is closed.

(xii) Creation of pledge is allowed when trading window is closed. However, the pledgor or pledgee may demonstrate that the creation of pledge was *bona fide* and prove their innocence under proviso to sub-regulation (1) of regulation 4 of the Regulations.

1.12 HOLDING PERIOD/CONTRA TRADE

(i) Designated person (including their immediate relatives) who is permitted to trade shall not execute a contra trade i.e. enter into an opposite transaction during the next 6 (six) months following the prior transaction ("contra trade"). However, the restriction on contra trade shall not apply to:

(a) Exercise of the options under the Company's ESOPs;

(b) Sale of shares acquired under the Company's ESOPs, provided that designated person is not in possession of UPSI at the time of sale.

(ii) 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 these regulations.

Chapter 2 - Disclosures & Reporting

Apart from the restrictions mentioned in Chapter 1, RCIL is required to obtain certain disclosures and levy penalties as and when deemed fit.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's immediate relatives and any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter:

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

2.1 INITIAL DISCLOSURE

(i) All the Promoters, Key Managerial Personnel and Directors are required to send the details of their holdings in securities of RCIL presently held by them including the statement of holdings of immediate relative(s) in the prescribed Annexure D (as prescribed or amended by SEBI, from time to time) within 30 (thirty) days of this Code becoming effective.

(ii) Every person on appointment as a Key Managerial Personnel or a Director of RCIL or upon becoming a Promoter shall disclose his holding of securities of the Company within 7 (seven) days of such appointment or becoming a Promoter / Key Managerial Personnel / Director inform the Company in Annexure E (as prescribed or amended by SEBI, from time to time).

2.2 CONTINUAL DISCLOSURE

Every Promoter, Designated person (including their immediate relatives) and Director of RCIL shall disclose to the Company in the format set out in Annexure F (as prescribed or amended by SEBI, from time to time), the number of such securities acquired or disposed of within 2 (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.10,00,000/- (Rupees Ten Lakh Only) or such other value as may be specified.

The disclosure shall be made within 2 (two) working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

2.3 DISCLOSURE BY OTHER CONNECTED PERSONS

The Compliance Officer at his discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of RCIL as and when he deems fit in order to monitor compliance with these Regulations

in the format set out in Annexure G (as prescribed or amended by SEBI, from time to time).

2.4 DISCLOSURE BY DESIGNATED PERSONS

One Time The Designated person shall disclose the following information (in a format as may be prescribed by the CIO), one time basis, to RCIL within 15 days from the date on which this code shall become effective;

- (i)* his/her Phone, mobile and cell numbers
- (ii)* his/her Permanent Account Number or any other identifier authorized by law

Annual Disclosure and Continual Disclosure

The Designated person shall disclose the following information (in a format as may be prescribed by the CIO), on annual basis, to RCIL within 30 days from the end of the Financial Year and on continual disclosure basis, as and when the information changes within 7 days of such change;

- (i)* Name of Immediate Relatives
- (ii)* persons with whom such designated person(s) shares a Material Financial Relationship
- (iii)* Permanent Account Number or any other identifier authorized by law of (i) & (ii)
- (iv)* Phone, mobile and cell numbers of (i) & (ii)

2.5 DISSEMINATION OF PRICE SENSITIVE INFORMATION

- (i)* No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- (ii)* Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors.

The following guidelines shall be followed while dealing with analysts and institutional investors:-

- Only public information to be provided.
- At least 2 (two) Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

2.6 REPORTING TO THE BOARD AND MAINTENANCE OF DISCLOSURES

(i) The Compliance Officer shall place before the Chairman of RCIL on a quarterly basis, details of trading in RCIL Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this Code.

(ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of 5 (Five) years.

(iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

2.7 AMENDMENT OF THIS CODE

The Board of Directors (including Managing Committee of the Board of Directors) of RCIL is authorised to change / amend this Code from time to time pursuant to any amendments made in the SEBI (Prohibition of Insider Trading) Regulations, 2015

Chapter 3- Penalties

3.1 PENALTY FOR NON-COMPLIANCE

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

3.2 PENALTY FOR NON- COMPLIANCE WITH THE CODE OF CONDUCT

Any employee/ officer / Director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by RCIL. *Categories of Non-Compliances*
Procedural Non Compliances

Penal/disciplinary actions proposed

- a) Written warning notice for first instance of non- compliance.*
- b) For second repeated act-Rs.10,000/- (Rupees Ten Thousand Only) minimum and up to Rs.25,000/- (Rupees Twenty Five Thousand Only) for third repeat non- compliance.*
- c) Beyond third repeated act of non-compliance, it would be treated as substantive non- compliance resulting*

in such action the Managing Committee of the Board may deem fit, which may include suspension, freeze on increment /promotion, demotion, employment termination, recovery, clawback as deemed appropriate.

i) Executing transaction after expiry of 7 (Seven) days from date of pre-clearance.

ii) Non reporting of completion of transaction after pre-clearance.

iii) Non reporting of transactions aggregating to Rs.10,00,000/- (Rupees Ten Lakh Only) per calendar quarter (such transaction should not be based on UPSI and should not be undertaken during trading window closure periods).

Substantive Non Compliances

i) Trading in RCIL Securities during trading window closure period

Any of the following or combination thereof depending on the severity of the case:

a) If the gain or loss avoided is less than Rs.10,000/- (Rupees Ten Thousand Only), the penalty is Rs.10,000/- (Rupees Ten Thousand Only).

b) If the gain or loss avoided is more than Rs.10,000/- (Rupees Ten Thousand Only), twice the actual gain made or loss avoided

c) Such action the Managing Committee of the Board may deem fit which may include suspension, freeze on increment/promotion, demotion, employment termination, recovery, clawback.

ii) Dealing in RCIL Securities without obtaining pre-clearance

iii) Undertaking opposite transactions / derivative transactions

iv) Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information