

MUNJAL SHOWA LIMITED

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

(With Effect from February, 06th 2025)



1. Definitions

"Act" means the Securities and Exchange Board of India Act, 1992. **"Board"** means the Board of Directors of the Company.

"Code" or **"Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of MUNJAL SHOWA LIMITED as amended from time to time.

"Company" means MUNJAL SHOWA LIMITED.

"Compliance Officer" means as per Regulation 6 of SEBI LODR Regulation 2015, **Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel.**

"Connected Person" means:

- (i) any person who is or has during the 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 authorized 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 the Company or his immediate relative or banker of the Company, has more than 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).



"Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

"Designated Persons" means

- a. All Directors;
- b. Key Managerial Personnel (KMP's) as per Companies Act, 2013;
- c. Designated Employee(s);
- d. Promoters /Promoter Group of the Company;
- e. Person in contractual, fiduciary or advisory relationship with the Company i.e. consultants, retainers, auditors, law firms and analysts etc.
- f. Other person as designated by the Board of Directors in consultation with the Compliance Officer of the Company, from time to time; and
- g. Immediate relatives of person covered under clause (a) to (f) above.

Designated Employee(s) shall include :

- (i) All functional Head; and
- (ii) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer.

"Director" means a member of the Board of Directors of the Company.

"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 and shall not include unverified event or information reported in print or electronic media.

"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.

"Insider" means any person who,

1. a connected person; or
2. in possession of or having access to unpublished price sensitive information.

"Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013

"Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof:

"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof;

"Stock Exchange" shall mean National Stock Exchange, Bombay Stock Exchange and any other stock exchange(s) on which the securities of the Company are listed for the time being.



"Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

"Trading" means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, 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 where the securities of the Company are listed;

"Unpublished Price Sensitive Information" means: 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, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) Other Matters as may be prescribed by the SEBI/ considered by the Compliance Officer to be price sensitive from time to time.

"Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

Words and expressions used and not defined in these regulations but defined in 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.

2. Role of Compliance Officer

The Compliance Officer shall report to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors but not less than once in a year.

The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

3. Preservation of "Price Sensitive Information"

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.



Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing such information is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of 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

Need to Know:

- (i) "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.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

4. Prevention of misuse of "Unpublished Price Sensitive Information"

Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the Company shall be governed by an internal code of conduct governing dealing in securities.

Trading Plan

An insider shall be entitled to formulate a trading plan for dealing in the securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
- (ii) not entail overlap of any period for which another trading plan is already in existence;
- (iii) set out following parameters for each trade to be executed:
 - a) either the value of trade to be effected or the number of securities to be traded;
 - b) nature of the trade;
 - c) either specific date or time period not exceeding five consecutive trading days;
 - d) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to



the range as specified below:

- i. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
- ii. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

The Compliance Officer shall review the 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 as per provisions of the Regulations.

The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation.

The Compliance officer shall approve or reject the trading plan within two trading day of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities of the Company are listed, on the day of approval.

5. Trading Window and Window Closure

- i. The trading period, i.e. the trading period of the stock exchanges, called "trading window", is available for trading in the Company's securities.
- ii. Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.
- iii. When the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the Company's securities in such period.
- iv. All Designated Persons 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 to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

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.

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.

6 Pre-clearance of trades

When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. The pre-dealing procedure shall be hereunder:



- (i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- (ii) An undertaking (Annexure 2) shall be executed in favour of the Company by such Designated Employee incorporating, *inter alia*, the following clauses, as may be applicable:
 - (a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
 - (b) That in case the Designated Employee 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 change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - (d) That he/she has made a full and true disclosure in the matter.
- (iii) All Designated Persons shall execute their trade within reasonable timeframe, which shall not be more than seven trading days, after the approval of pre-clearance is given. The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed.
- (iv) If the trade is not executed within seven days after the approval is given, fresh pre-clearance would be needed.
- (v) All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. 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. In case of any contra trade be 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 (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

7 Other Restrictions

The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by 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 Code.

The disclosures made under this Code shall be maintained for a minimum period of five years.

8 Reporting Requirements for transactions in securities 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 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

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. Ten (10) lakhs or such other value as may be specified.

The disclosure shall be made within 2 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. The disclosure shall be made in the prescribed Form Disclosure by the Company to the Stock Exchange(s)

Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

- 9 The Company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company and at such frequency as may be determined by the company in order to monitor compliance with these regulations.**

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

10 Dissemination of Price Sensitive Information

No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

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 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.

11 Penalty for contravention of the code of conduct

Every Designated Persons shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

Any Designated Persons who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

Designated Persons who violate the Code shall also be subject to disciplinary action by the Company,



which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.



Code of Fair Disclosure

(As envisaged under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. It shall be ensured that uniform and universal dissemination of unpublished price sensitive information is promptly made to avoid selective disclosures.
2. The Chief Financial Officer of the Company is designated as Chief Investor Relations Officer to deal with dissemination and disclosure of unpublished price sensitive information.
3. It shall be ensured that prompt public disclosure of unpublished price sensitive information is made to make it generally available, once it is discovered that credible and concrete information having the potential of effecting the price of securities of the Company exists or comes into being.
4. It shall be ensured that any unpublished price sensitive information which gets disclosed selectively or inadvertently is promptly disseminated through Stock Exchanges and made generally available.
5. The Company shall ensure that appropriate and fair responses and replies are promptly provided/given to the news report and any request for verification of market rumors received from regulatory authorities.
6. It shall be ensured that no unpublished price sensitive information is shared with analysts and research personnel.
7. Best practices shall be followed to ensure the recordings/transcripts of the proceedings of meetings with analysts and other investor relation conferences are disseminated by publishing the same on the website of the Company.
8. Unpublished price sensitive information is to be handled on need-to-know basis



POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES FOR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Under Clause 2A of Regulation 3 read with Regulation 8 of the PIT Regulations)

1. Under this Code, "Legitimate Purpose" shall include sharing of UPSI in the ordinary course of business, on a need-to-know basis, by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), banker(s), legal advisor(s), auditor(s), insolvency professional(s), registered valuer(s), other advisor(s) or consultant(s), or such other person as may be required for furtherance of business interest of the Company, provided that such sharing has not been carried out to evade or circumvent the prohibition of the PIT Regulations.

The Legitimate Purpose shall also include inter alia sharing of the UPSI in relation to the following:

- a) Sharing the information upon an action, subpoena or order of a court of competent jurisdiction;
- b) Sharing the information for any requirement of legal process, regulation or governmental order, decree or as per applicable laws, rules and regulations;
- c) Sharing of information for the purposes of obtaining regulatory licenses and approvals etc.;
- d) Sharing of such information as may be determined by the Audit Committee from time to time.

2. Whether sharing of UPSI for a particular instance tantamount to 'Legitimate Purpose' would entirely depends on the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing of UPSI:

- a) Whether sharing of such UPSI is in the ordinary course of business of the Company;
- b) Whether information is sought to be shared to evade or circumvent the prohibition of the Insider Trading Regulations;
- c) Whether sharing of such UPSI is in the best interest of the Company or in furtherance of a genuine commercial purpose; and
- d) Whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

3. No insider shall communicate, provide, or allow access to any UPSI, relating to securities of the Company or securities proposed to be listed by the Company, to any person including other insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

4. No person shall procure from or cause the communication by any insider of UPSI, relating to securities of the Company or securities proposed to be listed by the Company, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

5. Any person in receipt of UPSI pursuant to Legitimate Purpose shall be considered an "insider" for the purpose of these regulations and due notice shall be given to such persons to maintain confidentiality of UPSI in compliance with the PIT Regulations. Such person is also required to ensure the confidentiality of UPSI shared with him, in compliance with the PIT Regulations.

6. The Company 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 or who has shared UPSI along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained on the servers managed by the Company with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database. This digital database should be preserved for a period of not less than eight years after completion of relevant transactions.



MUNJAL SHOWA LIMITED

ANNEXURE 1

SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To,
The Compliance Officer,
MUNJAL SHOWA LIMITED, Gurgaon

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale / subscription of equity shares of the Company as per details given below:

1	Name of the applicant	
2	Designation	
3	Number of securities held as on date	
4	Folio No. / DP ID / Client ID No.)	
5	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
6	Proposed date of dealing in securities	
7	Estimated number of securities proposed to be acquired/subscribed/sold	
8	Price at which the transaction is proposed	
9	Current market price (as on date of application)	
10	Whether the proposed transaction will be through stock exchange or off-market deal	
11	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully, _____ (Signature of Employee)



MUNJAL SHOWA LIMITED

ANNEXURE 2

FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

UNDERTAKING

To,
MUNJAL SHOWA LIMITED, Gurgaon

I, _____ S/o, _____ Designation _____ of the
Company residing at _____, am desirous of dealing in
_____ * shares of the Company as mentioned in my
application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date :

Signature : _____

* Indicate number of shares



