CODE OF CONDUCT FOR INSIDER TRADING

SHREE BALAJI (MALA) TEXTILES LIMITED
(Formerly known as Shree Balaji (Mala) Textiles Private Limited)

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CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS (PURSUANT TO SECURITIES EXCHANGE BOARD OF INDIA, (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015)

CHAPTER I

PREAMBLE

The Securities and Exchange Board of India ("**SEBI**"), in exercise of the powers conferred under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"), has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the **Regulations**") as amended from time to time. These regulations apply to all the companies whose securities are listed or proposed to be listed on Stock Exchange(s).

As the Company is proposed to be listed, it is required to adopt a Code of Conduct for the purpose of regulating, monitoring and reporting Trading by insiders, in line with the minimum standards prescribed under the Regulations. ("Code"). Accordingly, the Board of Directors of the Company, at its meeting held on August 20, 2025 approved and adopted this Code.

The Regulations prohibit any Insider from trading in the securities of a company listed on stock exchange while in possession of Unpublished Price Sensitive Information. ("UPSI")

OBJECTIVE OF THE CODE

The Code aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information (UPSI) by directors, key managerial personnel, designated persons and connected persons of the Company. This Code seeks to promote transparent and fair-trading practices, maintain confidentiality of UPSI, and prevent its misuse, in order to uphold market integrity and protect the interest of investors. It is framed in accordance with, and shall be read in conjunction with, the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Chapter II

DEFINITIONS

1. "**Act**" means the Securities and Exchange Board of India Act, 1992 as amended from time to time.

2. "**Board**" means the Securities and Exchange Board of India.

3. "**Board of Directors**" means the Board of Directors of SHREE BALAJI (MALA) TEXTILES LIMITED (Formerly known as Shree Balaji (Mala) Textiles Private Limited)

4. "**Code**" means this Code of Conduct to Regulate, Monitor and Report Trading by Insiders as amended from time to time.

5. "**Company**" means SHREE BALAJI (MALA) TEXTILES LIMITED (Formerly known as Shree Balaji (Mala) Textiles Private Limited)

6. "**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;
   - implementation of the codes specified in these regulations

   under the overall supervision of the board of directors or the head of the organization, as the case may be.

7. "**Connected person**" means --

   i) any person who is or has, during the six months prior to the concerned act, been associated with the company, 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 with the company, whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.

ii) Without prejudice to the generality of the foregoing, the following persons shall be deemed to be connected persons unless the contrary is established, -

   a. arelative of connected persons specified in clause(i) above; 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;
   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 relative or banker of the Company, has more than ten per cent of the holding or interest.

k. a firm or its partner or its employee in which a connected person specified in clause (i) is also a partner; or

l. a person sharing household or residence with a connected person specified in clause (i)

8. "**Designated Person**" means such persons as may be identified by the Board of Directors in consultation with the Compliance Officer, based on their role or function in the organisation and access to UPSI, in addition to their seniority and professional designation. This shall include:

i. Employees of the Company, intermediary, or fiduciary designated on the basis of their functional role or access to UPSI

ii. Employees of the material subsidiary(ies) of the Company designated on the basis of their functional role or access to UPSI in the organisation by the Board of Directors of such subsidiary(ies);

iii. All promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;

iv. Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

v. Any support staff of the Company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.

9. Designated Employee of the Company means:

i. Every director, for the time being on the Board of the Company

ii. All employees in the grade of All General Managers and above

iii. Heads of all Departments;

iv. Key Managerial Personnel (KMP), every employee in the finance, accounts, business development, secretarial and legal departments, as may be determined and informed by the Compliance Officer;

v. All employees working in Secretariat of Chairman & Managing Director, Directors

vi. Any other executive which in opinion of Compliance Officer be covered under the designated employees.

"**Fiduciary**" or "**Fiduciaries**" means professional firms such as auditors, accountancy firms, law firms, analysts, consultants, banks, valuation agencies, fund accountants, assisting or advising Asset Management Companies, Trustees, Registrars and share transfer agents, Custodians and Credit Rating Agencies

9. "**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;

10. "**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;

11. "**Insider**" means any person who is:

    i. a connected person; or

    ii. in possession of or having access to unpublished price sensitive information; or

    iii. any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose.

12. "**Key Managerial Personnel**" means–

    i. Chairman & Managing Director;

    ii. All whole time Directors;

    iii. Company Secretary;

    iv. Chief Financial Officer

    v. Such other officer as may be prescribed under Companies Act 2013 or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. "**Legitimate purpose**" includes 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 prohibition of PIT regulations.

14. "**proposed to be listed**" shall include securities of an unlisted company:

    i. If such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; **or**

    ii. If such unlisted company is getting listed pursuant to a merger or amalgamation and has filed a copy of such scheme under the Companies Act, 2013

15. Relative means the following:

    (i) spouse of the person;
    (ii) parent of the person and parent of person's spouse;
    (iii) sibling of the person and sibling of person's spouse;
    (iv) child of the person and child of person's spouse;
    (v) spouse of the person listed at sub-clause (iii); and
    (vi) spouse of the person listed at sub-clause (iv)

16. "**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

17. "**Trading day**" means a day on which the recognized stock exchanges are open for trading

18. "**Trading Window**" means a trading period when the designated persons and their immediate relatives are permitted to trade in the Company's securities

19. "**Stock Exchange(s)**" means the stock exchange(s) where the securities of the Company is listed or proposed to be listed.

20. "**Unpublished Price Sensitive Information**" or "**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 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, 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;

    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 mis-statement 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.

All other words and phrases will have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013

and rules & regulations made there-under shall have the meanings respectively assigned to them in those legislations.

CHAPTER-III

CONFIDENTIALITY & COMMUNICATION OF UPSI

A. Compliance Officer

1. Compliance officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Codes specified in the Regulations under the overall supervision of the Board of Directors of SHREE BALAJI (MALA) TEXTILES LIMITED (Formerly known as Shree Balaji (Mala) Textiles Private Limited).
2. The list of Designated persons shall be maintained by the Secretarial department under the overall supervision and control of the Compliance Officer and updated promptly upon any change.
3. The Compliance Officer shall provide clarifications regarding this Code and shall report to the Board of Directors and/or any committee constituted for this purpose. Reports shall be made at such frequency as determined by the Board, but at least once annually.
4. The Company Secretary shall act as Compliance Officer of the Company under the Regulations, unless the Board decides otherwise.

B. Communication or procurement of UPSI.

1. No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company or its securities listed or proposed to be listed, 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 the Company or securities listed or proposed to be listed, except in furtherance of Legitimate purposes, performance of duties or discharge of legal obligations.
3. Notwithstanding anything contained in this Regulation, an 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 SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("**SEBI SAST Regulations**") 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;

   (ii) not attract the obligation to make an open offer under the SEBI SAST 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 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 Board Of Directors may determine to be adequate and fair to cover all relevant and material facts

4. 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 purposes mentioned in B(i) and (ii)sand shall not otherwise trade in securities of the Company when in possession of UPSI.

C. Preservation of the price sensitive information

1. All insiders shall maintain the confidentially of UPSI. Such information shall not be passed on to any person, including another insider, except in furtherance of legitimate puproses, perfomane of duites, or discharge of legal obligations.

2. **Need to Know**

   UPSI shall be handled on a "need-to-know" basis, i.e. such information shall not be shared with any person including the other insider except where such information is required to be passed for legitimate purposes and for performance of duties or discharge of legal obligation.

3. **Limited access to confidential information**

   Physical files containing UPSI shall be kept secure andcomputer files shall be password-protected. Confidential files should be deleted or destroyed after their use, in compliance with the Company's document retention policy

4. **Chinese Wall**

   The Company shall adopt a "Chinese Wall policy to prevent the misuse of confidential information by separating those departments or individuals that routinely have access to UPSI from those who do not.

CHAPTER-IV

RESTRICTION ON TRADING BY INSIDERS

A. Trade in securities when in possession of UPSI

1. No insider shall trade in securities of the Company when in possession of UPSI provided that the Insider may prove his innocence by giving valid reasons of the circumstances like:

   a. In case of non – individual insiders,
      - the individuals who were in possession of the UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when who took the decision for trade
      - appropriate and adequate arrangements were in place to ensure these regulations are not violated and no UPSI was communicated by the individuals who were in possession of the UPSI to the individuals who took the decision for trade and there is no evidence of such arrangements having been breached;

   b. Trading was done pursuant to the trading plan as per this Policy.

   c. The transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of regulation 3 of PIT regulations and both parties had made a conscious and informed trade decision.

   d. The transaction was carried out through block deal window mechanism between insiders without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.

   e. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

   f. The transaction was carried out pursuant to the exercise of stock options, where the exercise price was pre-determined as per applicable regulations.

   g. In the case of trade by connected person, the onus of establishing that they were not in possession of UPSI shall be on such connected person.

   h. In any other case, the onus would be on the Board.

B. Trading Plan

1. An Insider may formulate a trading plan and the same shall be approved by the Compliance Officer after evaluation with regard to the Regulations and shall be notified to the stock exchange.

2. By virtue of the pre-planned trading plan, he/she shall not be prohibited from execution of such trades being that he had pre-decided even before the UPSI came into existence.

3. The following are the requirements of the trading plan:

   a. Trading can be done after six months of commencement/ public disclosure of trading plan.

   b. Insider can give one trading plan at a time. Plan should not entail overlap of any period for which another trading plan is in existence.

   c. Insider shall set out the basic parameters for each trade to be executed:

      - either the value of trade to be effected or the number of securities to be traded;
      - nature of the trade;
      - either specific date or time period not exceeding five consecutive trading days;

- 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:

  a. 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;

  b. 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.

4 The Trading Plan once approved shall be irrevocable and the insider shall mandatorily have to 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]

Provided that the implementation of the trading plan shall not be commenced if 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.

C. Trading Window

1. The Designated persons and their immediate relatives shall not trade in the company's securities when the trading window is closed
2. The trading window shall be closed when Compliance Officer determines that designated person or a class of designated person can reasonably be expected to have possession of UPSI.
3. For UPSI not emanating from within the company, trading window may not be closed. The trading window shall remain closed for a period of at least seven days prior to the happening of any of the following events in general:
   - Declaration of financial results (half-yearly and annually);
   - Declaration of dividend;
   - Issue of securities by way of public / rights / bonus etc.;
   - Any major expansion plans or execution of new projects;
   - Amalgamation, mergers, acquisitions, takeovers and buy back of shares;
   - Disposal of whole or substantially the whole of the Company;
   - Any changes in policies, plans or operations of the Company;
   - Acquisition, de-merger, restructuring, scheme of arrangement, spin-off of divisions etc.;
   - Consolidation / splitting of shares;
   - Voluntary de-listing of shares by the Company;
   - Forfeiture of shares;
   - ADR / GDR or any other class of securities to be issued abroad; and
   - Cancellation of dividend/ right/ bonus etc.
4. The Compliance Officer (in consultation with the Board of directors of the Company) may for a longer period, close the Trading Window for the events mentioned above or on any such other matter as they deem fit after taking into account the sensitivity of the event/ case.
5. The Compliance Officer shall take all reasonable steps to ensure that the Designated persons and/ or Insiders are informed in advance, about the date of closing and opening of the Trading Window.

6. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

7. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate

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

9. In case of Employee Stock Option Plans (ESOPs), exercise of option may 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.

D. Pre-Clearance of trades

1. All Designated persons of the Company who intend to deal, on their behalf and/ or on behalf of their dependent family members, in the securities of the Company and where the number of shares intended to be dealt exceeds the thresholds as stipulated by the Board of directors, should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

2. Any precleared trade not executed by the designated person within 7 days of its pre-clearance would require fresh clearance for the trades to be executed.

3. An application may be made in the prescribed format, to the Compliance Officer indicating the estimated number of securities that the Designated person 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 specified in this behalf.

4. Along with the request for pre-clearance of transaction, an undertaking shall be executed in favour of the Company by such Designated person, that he is not in possession of UPSI.

5. An undertaking shall be executed by the director/ officer/ Designated employee as per the format annexed herewith as per prescribed format.

6. No contra trade shall be executed by the Designated person within the period six months from date of execution of the pre-cleared trade.

7. 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.

8. In case of execution of a contra trade, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the Board under the Act.

E. Institutional Mechanism for Prevention of Insider Trading

Our Company in consultation with Managing Director and other senior management personnel has put in place adequate and effective system of internal controls to ensure compliance with the requirements of Regulations, in order to prevent the insider trading which includes the following internal controls:

i. all employees who have access to the UPSI are identified as Designated employee(s);
ii. all the UPSI shall be identified and its confidentiality shall be maintained as per the requirement of these Regulations;
iii. adequate restrictions have been placed on communication or procurement of UPSI as required by these Regulations;
iv. lists of all employees and other persons have been maintained with whom UPSI is shared and confidentiality agreement to be signed with or notice to be served to all such employees and persons;

v. periodic process review to evaluate effectiveness of such internal controls.
vi. Compliance of all other relevant requirements specified under these regulations

CHAPTER –V

DISCLOSURE OF TRADING

A. DISCLOSURES BY PROMOTERS, MEMBERS OF PROMOTER GROUP, DIRECTORS AND KEY MANAGERIAL PERSONNEL TO THE COMPANY

(a) Initial Disclosures

Every person, on appointment as a Key managerial personnel or a director of the Company or upon becoming the promoter or member of the promoter group, shall provide disclosure of his holding of securities of the Company and by his immediate relatives, and by any other person for whom he takes trading decisions, to the Compliance Officer within seven days of such appointment or becoming promoter or member of the promoter group, as per details prescribed in "Form B" (format is annexed with the Policy).

(b) Continual Disclosures

Every promoter, member of the promoter group, designated person and director of every company shall disclose, within 2 trading days, to the Compliance Officer, the number of company's securities acquired or disposed of, whether in one transaction or in series of transactions over any calendar quarter and the value of such transactions is in excess of Rs 10 lakhs or such other value as may be specified, as per details prescribed in "Form C" (format is annexed with the Policy).

B. DISCLOSURES BY COMPANY TO STOCK EXCHANGES

The Compliance Officer of the Company shall notify the particulars of such trading to the Stock Exchange within two trading days of receipt of the disclosure or from becoming aware of such information.

C. DISCLOSURES BY OTHER CONNECTED PERSON

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 in "Form D" (format is annexed with the policy) and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with the Regulations.

The disclosures made by the Promoters, members of the Promoter Group, Directors and Key Managerial Personnel to the Company and disclosure made by the Company to the Stock Exchange(s) under this chapter shall be maintained by the Company for a period of five years.

D. FAIR DISCLOSURE OF UPSI

a. The Company shall promptly disclose the UPSI that would impact discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
b. Disclosure of UPSI shall be uniform and universal to avoid any selective disclosure.
c. If any UPSI is disclosed selectively, inadvertently or otherwise, such information shall be disseminated promptly to make such information generally available.
d. Compliance Officer shall ensure that any information shared with analysts and research personnel shall not be UPSI.
e. On receipt of any marker rumours or news report by the Company, same shall be provided to Compliance Officer on immediate basis. Compliance Officer in consultation with Managing Director or Chairman, shall verify such market rumours or news report and shall provide appropriate and fair responses to stock exchange(s).

CHAPTER-VI

PENALTY & RESTRICTION

1. Any Designated person who trades in securities or communicates any information for trading in securities in contravention of this Code may be penalized by the Board of Directors as they may deem fit and appropriate action would be taken.

2. Designated persons of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery of profits gained, termination of employment/contract etc.

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

4 In case, it is observed by the Company/ Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Compliance Officer shall inform SEBI promptly.

CHAPTER-VII

AMENDMENT TO THE CODE

1. This Code, and any amendment(s) thereto, shall be approved by the Board of Directors of the Company
2. Any or all provisions of this Code shall be subject to revision or amendment in accordance with the applicable laws, rules, regulations, notifications, and circulars issued by SEBI or other competent authorities, from time to time.
3. In the event of any amendment(s), clarification(s), circular(s) etc. issued by SEBI or any other relevant authority that is inconsistent with the provisions laid down under this Code, such amendment(s), clarification(s), or circular(s), etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

4. This code shall take effect from August 20th, 2025.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

PREAMBLE

The Securities and Exchange Board of India ("**SEBI**") , in exercise of the powers conferred under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"), has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the **Regulations**"/ "**PIT Regulations**") as amended from time to time. These Regulations apply to all the companies whose securities are listed or proposed to be listed on Stock Exchange(s). PIT Regulations provides that no insider shall communicate, provide or allow access to any UPSI, to any other person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Pursuant to the amendment in the above Regulations, Regulation 3(2A) requires every listed company to formulate such policy for determination of "legitimate purpose" as a part of "Codes of Fair Disclosure and Conduct". This policy forms an integral part of the Company's code and governs circumstances in which UPSI may be shared.

The Board of Directors of SHREE BALAJI (MALA) TEXTILES LIMITED (Formerly known as Shree Balaji (Mala) Textiles Private Limited) has formulated a policy for determination of "legitimate purposes" as a part of its "Codes of Fair Disclosure and Conduct", whereby to list down the instances or business transactions where an "insider" is allowed to communicate or to give an access of UPSI to any person in furtherance of legitimate purposes, which shall not be treated as illegal under this Regulations and which are required to be disclosed to other person in the ordinary course of business.

OBJECTIVE OF THE CODE

This policy of legitimate purpose has been implemented with an objective to provide clear guidelines to the Company and its insider, to communicate the UPSI in the ordinary course of business, which shall not be treated as illegal, with objectives as outlined under these Regulations for various business transactions:

a. to cast an obligation on all the insiders who are essentially persons in possession of UPSI to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis;
b. to develop such practices in Company based on need-to-know principles for treatment of information in their possession;
c. to impose a prohibition on unlawfully procuring possession of UPSI;
d. to identify such instances whereby inducement and procurement of UPSI not in furtherance of one's legitimate duties and discharge of obligations would be illegal under PIT Regulations.

FLOW OF INFORMATION BY INSIDER FOR LEGITIMATE PURPOSE

The communication or procurement or allowing access of UPSI, which relates to the Company or securities listed or proposed to be listed, in furtherance of legitimate purposes, performance of duties or discharge of legal obligation, will be considered as legitimate purpose, on fulfilling the certain grounds. Accordingly, legitimate purposes shall include the following instance to be considered as legal obligations:

i. sharing of UPSI 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 of UPSI has not been carried out to evade or circumvent the prohibitions of PIT Regulations;

ii. Any other sharing of UPSI outside the above-said scope, shall require specific approval of the Board of Directors of the Company

iii. sharing of UPSI in connection with a transaction which would entail an obligation on the Company to make an open offer under the takeover regulations, where the Board of Directors is of informed opinion that sharing such information is in the best interests of the Company;

iv. sharing of UPSI in connection with a transaction, which may not attract the open offer, but where Board of Directors is of informed opinion that sharing such information is in the best interests of the Company and that such information that constitute UPSI is generally made available at least two trading days prior to the proposed transaction being affected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

POSSESSION OF UPSI – AN "INSIDER"

Any person who is in receipt of UPSI pursuant to a "legitimate purpose" will be considered as an "insider" under PIT Regulations. Such insider shall maintain strict confidentiality of UPSI until it has been disseminated to the public knowledge, unless it has been shared under the circumstances which have been defined to be in accordance with the definition of requirement of "legitimate purposes".

The company shall issue appropriate notices to such insider to maintain the confidentiality of such UPSI, shared with them pursuant to the "legitimate purposes". The Company shall also execute a Non-Disclosure Agreement with them, in order to ensure that "insider" shall not leak out the USPI for their own unlawful gains and to ensure the confidentiality of UPSI information. "Insider" shall not trade in the securities of the Company while possessing the UPSI of the Company till the time, such information has not been made to the public.

AMENDMENT TO THE CODE

This Code, and any amendment(s) thereto, shall be approved by the Board of Directors of the Company.

Any or all provisions of this Code shall be subject to revision / amendment in accordance with applicable laws, rules, regulations, notifications, and circulars etc. issued by SEBI or other competent authorities, from time to time.

In the event of any amendment(s), clarification(s), circular(s) etc. issued by SEBI or any other competent authorities that is inconsistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Effective Date:

This Policy is effective from August 20th, 2025.

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director / KMP /Promoter/Member of the Promoter Group] – Initial Disclosure

Name of the company: _____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the Promoter Group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ Member of Promoter Group KMP / Directors/ immediate relative to/others etc.)	Date of appointment of Director /KMP or Date of becoming Promoter/member of the Promoter Group	Securities held at the time of becoming Promoter/Member of the Promoter Group/appointment of Director/KMP		% of Shareholding
			Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter/ member of the Promoter Group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/Member of Promoter Group/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/Member of the Promoter group/appointment of Director/KMP		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: *In case of Options, notional value shall be calculated based on premium plus strike price of options*

Name & Signature:
Designation:
Date:
Place:

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, member of Promoter Group, Designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoter/ Member of Promoter Group/ Designated person/ Directors/ immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment / acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures, Right entitlements etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To			

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Details of trading in derivatives of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Optionsetc.)						Exchange on which the trade was executed
Type of contrac t	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

Note: *In case of Options, notional value shall be calculated based on Premium plus strike price of options.*

Name & Signature:
Designation:
Date:
Place:

******

FORM D (Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified by the company

Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition/disposal (on market/public/ rights/ Preferential offer / off market/Interse transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures, right entitlements etc.)	No.	Value	Transaction Type (Purchase/Buy/ Sale/ Pledge / Revoke /Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures, right entitlement etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Details of trading in derivatives by other connected persons as identified by the Company

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:
Signature:
Place

Code of Conduct for Insider Trading