

Swan Defence and Heavy Industries Limited

[Formerly known as Reliance Naval and Engineering Limited]

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

1) **Background:**

Regulation 8 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates every listed company to formulate and publish on its website, a **‘Code of practices and procedures for fair disclosure of unpublished price sensitive information (‘UPSI’)**, that it would follow in order to adhere to each of the principles set out in Schedule A to SEBI (PIT) Regulations, 2015 (‘Regulations’), without diluting the provisions of these Regulations in any manner.

In pursuance of the above, the newly constituted Board of Directors of Swan Defence and Heavy Industries Limited (‘SDHI/Company’), vide their resolution dated May 23, 2025 has formulated the Code in order to ensure timely and adequate public disclosure of unpublished price sensitive information.

2) **OBJECTIVE**

The objective of this Fair Disclosure Code is to put in place a framework and policy for fair disclosure of events and occurrences, i.e. Unpublished Price Sensitive Information (‘UPSI’) that could impact price discovery in the market for SDHI securities, on generally becoming public and to maintain uniformity and transparency in our disclosures.

3) **TERMS AND DEFINITIONS**

Unpublished price sensitive information (‘UPSI’) means any information, relating to SDHI or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business [award or termination of order/contracts not in the normal course of business]* and such other transactions
- e) changes in key managerial personnel [other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;]*
- f) change in rating(s), other than ESG rating(s);
- g) fund raising proposed to be undertaken;
- h) agreements, by whatever name called, which may impact the management or control of the company;
- i) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, or director of the company whether occurred within India or abroad;
- j) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- k) 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;

- l) 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;
- m) 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;
- n) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- o) 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;
- p) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

‘Fraud’ shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

‘Default’ shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For identification of events enumerated in clause ‘g’ to ‘q’ as UPSI, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.”

*Note: 1. * shall come into effect from 10th June 2025, or from such other date as may be notified by SEBI*

2. events enumerated in clause ‘f’ to ‘p’ shall come into effect from 10th June 2025, or from such other date as may be notified by SEBI

4) PRACTICES AND PROCEDURES

The Company shall adhere to the following practices to ensure fair universal disclosure of UPSI.

- a. **Prompt Disclosure of UPSI:** The Company shall make prompt disclosure of UPSI no sooner than credible and concrete information comes into being in order to make such information generally available. Such UPSI shall be disseminated through public announcement to Stock Exchanges on which the shares of the Company are listed and, on its website.
- b. **Uniform and universal dissemination of UPSI:** The Company shall make uniform and universal dissemination of UPSI in order to avoid selective disclosure. In case UPSI gets

inadvertently selectively disclosed, the Company shall promptly, make such UPSI generally available.

- c. **Designated Official for compliance with Fair Disclosure Code:** The Company shall designate a senior officer as a Chief Investor Relations Officer (“CIRO”) to overview/ deal with dissemination and disclosure of UPSI as per the Securities Dealing Code of the Company and ensure compliance under the Fair Disclosure Code herein.
- d. **Fair response to market rumors / market speculation:** Rumors and market speculation about the Company can cause significant damage in the form of disruptions, negative/negative publicity, loss of business and undermining of confidence in the Company. If the Company’s Public Relations Team becomes aware of any such rumor or speculation, it shall immediately inform the CIRO. The CIRO shall determine the appropriate course of action, which may include issuing a public announcement at the earliest or providing any other form of written communication to the stock exchanges. Only the CIRO or his/her designee(s) shall respond to queries related to news reports and requests for verification of market rumors received from regulatory authorities, the media, or stock exchanges.
- e. **Meetings with Analysts:** No employee, officer or independent director except Investor Relations team of the Company shall meet with any Analyst except as permitted in writing by the CIRO. All independent directors, officers and employees shall refer the requests received for meetings, conference calls and any communications with the Analysts to the MD & CEO and the CIRO or his/her designee(s). Any meetings with Investors or Analysts must be informed to the Compliance Officer in advance, to enable disclosure of the meeting to the Stock Exchanges in accordance with statutory requirements.
- f. **Only Public information to be provided:** The Company shall provide only generally available information to any Analyst. In the event the Company provides any information that is not generally available, the said information shall be made generally available, at the earliest by the CIRO.
- g. **Recording of discussion:** In order to avoid misquoting or misrepresentation, at least two Authorised Representatives shall be present (i) at all meetings with Analysts and (ii) on all conference calls with Analysts, and discussions in such meetings or conference calls shall be recorded by the Company and transcripts of recordings of such meeting or conference calls shall be stored by the Company for a period of 1 (one) year. The transcripts of this call will be posted on the Company’s website.
- h. **Media Interactions:** The CIRO/ Public Relation Team while interacting with the media or any public forum or gathering for Legitimate Purpose and in the ordinary course of business, must ensure compliance with this Code. The CIRO/ Public Relations Team shall ensure that only generally available information is shared for the aforesaid purpose.
- i. **Dealing with analyst and research personnel:** The Company shall ensure that information shared with analysts and research personnel is in public domain and not

UPSI. The Company shall submit to the Stock Exchanges of information about the analyst/ investors meet, analyst/ investors meet presentation and submit the transcript of the earnings call related to quarterly and annual financial results as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and host the same on Company's website.

- j. **No disclosure in the Silent Period:** To prevent the unintended leakage of UPSI, selective disclosure to select Investors and Analysts, the Company and its Investor Relations team shall observe a Silent Period prior to the announcement of financial results or other material information.

The Silent Period shall commence 25 days after the end of the relevant quarter and shall continue until the financial results for that quarter or period are made publicly available through a Stock Exchange intimation.

During the Silent Period, the Company will generally not initiate any meetings, email communications, or telephone contact with Investors or Analysts. However, the Company may respond to unsolicited inquiries limited to factual clarifications, previously disclosed information, historical data already in the public domain, or general understanding of the Company's overall business.

The Silent Period includes, but is not limited to, email correspondence with investors, participation in investor conferences, group meetings, and one-on-one interactions. It does not, however, include informal social gatherings.

If the Company is invited to participate in investment meetings or conferences organized by others during a silent period, the CIRO shall determine on a case-by-case basis, whether to accept these invitations and names of the participants. The participants attending these conferences must refrain sharing of any UPSI.

While a regular silent period for financial results is ongoing, the Company may choose to interact with the Investors & Analysts in case a material event has taken place provided that such material event is publicly known / informed publicly by the Company.

- k. **Dealing UPSI on need-to-know and legitimate purpose:** The Company shall handle all UPSI on a need- to-know basis. Any information in the nature of UPSI shall not be shared by an insider with any person unless, same is for legitimate purpose and sharing of the information has not been carried out to evade or circumvent the prohibitions of these regulations.

Legitimate Purpose shall include sharing of information:

- a. In the ordinary course of business with employees, partners, collaborators, lenders, customers including potential customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants;
- b. On need to know basis;
- c. As part of the performance of duties/legal obligations/ audit.

5) OBLIGATIONS OF DESIGNATED PERSON/ INSIDER FOR SHARING UPSI

The Designated Person or an insider, who has access to UPSI, besides ensuring compliance under SDHI Securities Dealing Code, shall maintain confidentiality, ensure non-leakage of UPSI, not trade in SDHI Securities and while sharing UPSI, shall ensure following:

- i. Purpose of sharing of UPSI shall fall under legitimate purpose;
- ii. Recipient of UPSI is notified of being an 'Insider' under the Regulations and SDHI Security Code;
- iii. Seek declaration/ confidentiality/ non-disclosure agreement/ notify recipient for maintaining confidentiality of such UPSI and not trade when in possession of such UPSI. Notification shall be made as per **Attachment A**;
- iv. Ensure updated Structured digital database is maintained of all designated persons/ insiders with whom UPSI is shared;

6) OBLIGATIONS ON FIDUCIARY

Whenever a person is connected with Company as Fiduciary, such person shall:

- i. Maintain Confidentiality of UPSI till the expiry of 48 hours of such UPSI becoming public;
- ii. Share UPSI only for legitimate purpose;
- iii. Not trade/ solicit trading in SDHI securities based on the knowledge/ possession of UPSI till the expiry of 48 hours of such UPSI becoming public;
- iv. Not trade/ solicit trading in SDHI securities during window Closed Period/ Special Closed Period;
- v. Share his details and details of persons with whom UPSI is shared. Details viz. Name, Address, PAN Card or any other identifier where the PAN Card is not available, shall be shared with the Company.

7) OBLIGATIONS ON COMPLIANCE OFFICER

The Compliance Officer on being informed of UPSI, shall initiate steps to ring fence the UPSI and notify Special Closed Period, if required, as per the SDHI Securities Dealing code of the Company for notifying Special Closed Period.

8) CONTROL MECHANISM FOR MAINTENANCE & PRESERVATION OF UPSI

The Company endeavours to preserve the confidentiality of UPSI and to prevent misuse of such information, it shall ensure:

a. Limited access to UPSI

Both Designated persons and Compliance Officer shall keep both the physical and soft copies of the documents, files, emails containing UPSI in secured manner

b. Limited sharing of UPSI

While sharing UPSI by Designated persons / Insider, he / she shall ensure that information is shared only for legitimate purpose.

c. Structured digital database

The Company shall maintain updated structured digital database with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

d. Internal Audit

Internal Audit may be conducted for periodic process review to evaluate effectiveness of internal controls on monitoring and implementation of Regulations, SDHI SDC and Fair disclosure Code and report the same to the Audit Committee.

e. Review of control by Audit Committee

Audit Committee of the Board of Directors shall review compliance with the provisions of the Regulations, SDHI SDC and Fair disclosure Code and shall verify that the systems for internal control are adequate and are operative effectively.

9) AMENDMENT OF FAIR DISCLOSURE CODE

- a. Unless required under an enactment to be approved by the Board of Directors, all statutory amendments in the Companies Act 2013 or in the Regulations, shall be effective and binding even if such amendments are not incorporated in the Code. For administrative convenience, any change in the Code herein shall be made by the Compliance Officer in consultation with Managing Director, Chief Executive Officer and Chief Financial Officer.
- b. This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchange where the securities of the Company are listed and published on website

Attachment A

To, Insider

Sub: Inclusion under SDHI Securities Dealing Code ('SDHI SDC')

Ref: _____

(Should relate to the name of the project for which UPSI is being shared)

This is with reference to the Un-published Price Sensitive Information ('UPSI') communicated/ shared with you in ordinary course of business, the sharing of which falls within purview of legitimate purpose as stipulated under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations') as amended from time to time, issued in this regards.

In terms of the PIT Regulations, you are hereby notified as an Insider and are therefore requested to:

1. Furnish your Name, Address, PAN Card or any other identifier where the PAN Card is not available.
2. Maintain the confidentiality of the UPSI communicated. i.e. not to communicate the UPSI, unless required for legitimate purpose, till the expiry of 48 hours of such UPSI becoming public.
3. Not to trade/ solicit trading in SDHI securities during the window closure period and/ or the period during which window is open, based on the knowledge/ possession of UPSI, till the expiry of 48 hours of such UPSI becoming public.
4. Not to trade/ solicit trading in SDHI securities during the special window closure period as may be notified by the Compliance Officer.
5. While in knowledge/ possession of UPSI, comply with SDHI SDC and if you are duty bound to share/ communicate/ disseminate the said UPSI among your colleagues/ partners/ team members, etc. For execution of the Company assignment, you shall ensure that such recipient complies with the requirements stipulated under points 2 to 4 mentioned herein above.

Regards

(Name of Designated Person)

Encl: SDHI SDC

I hereby agree to comply with SDHI SDC, maintain the confidentiality of UPSI and provide the information as requested for in this letter.

(Signature of Insider)

Name:

Address:

PAN:

Document Control:

Version	Author	Approved by	Date
01	Company Secretary	Board of Directors	23/05/2025