

Swan Defence and Heavy Industries Limited

[Formerly known as Reliance Naval & Engineering Ltd]

Code of Conduct and Business Ethics

APPLICABILITY

The Code of Conduct (“Code”) applies to all Directors, including Non-Executive, Independent Directors, and Alternate Directors. Each Director undertakes to abide by this Code and shall submit a declaration confirming that he/she shall not violate this Code framed by the Company.

INTRODUCTION

Swan Defence and Heavy Industries Limited (“SDHI” or the “Company”), has adopted this Code of Conduct to govern the conduct of Members of the Board of Directors, ensuring that its business is conducted with honesty and integrity. This code also provides a mechanism for disclosure leading to informed decisions on matters involving the business ethics of SDHI. All Directors must act within the bounds of the authority conferred upon them and with a duty to make informed decisions and policies in the best interests of the Company, its shareholders, and stakeholders for the purpose of maintaining high standards, the following code of conduct should be observed in all activities of the Board.

HONESTY & INTEGRITY

All Directors shall represent the Company with professionalism, honesty, and integrity, while upholding high moral and ethical standards. They shall act in good faith, responsibly, with due care, competence, and diligence, without allowing their independent judgment to be compromised. Directors shall consistently act in the best interests of the Company and fulfill their fiduciary obligations

CONFLICT OF INTEREST

SDHI respects the right of its Directors to engage in outside financial businesses or other activities, provided those activities are legal and do not conflict with the Director’s duties. Accordingly, Directors serving on the Board of the Company shall refrain from engaging in any business, relationship, or activity that may conflict with the interests of the Company, viz:

- The Director shall not engage in any activity or employment that interferes with their performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company;
- The Director and their relatives shall not invest in the Company, its customers, suppliers, developers, or competitors, and shall generally refrain from investments that compromise the interests of the Company;
- Directors and their relatives shall refrain from engaging in any related party transactions with the Company. However, if such a transaction is deemed necessary for commercial expediency, it must be disclosed to the Company and receive prior approval.

COMPLIANCE

Directors are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors must report any possible violation of law, rules, regulation or the code of conduct to the Company Secretary / Compliance Officer.

OTHER DIRECTORSHIPS/FIRMS/LLP

The Company believes that serving on the Board of Directors of other companies or as a partner of firms or LLPs may raise substantial concerns about potential conflicts of interest. Therefore, Directors must immediately report or disclose such relationships to the Board. When investing in a company, customer, supplier, developer, or competitor, Directors must take great care to ensure that these investments do not compromise their responsibilities towards the Company. Several factors should be considered in determining whether a conflict exists, including the size and nature of the investment, the ability to influence the Company's decisions, access to confidential information of the Company or other entities, and the nature of the relationship with the Company

RELATED PARTIES

Contracts and arrangements involving the concerned Director and Related Parties should be avoided. However, in cases of business expediency where it is necessary to enter into such transactions, the proposal should be communicated to the Company. Only after obtaining the requisite approvals from the Board/Shareholders should the concerned Director proceed with the transaction involving related parties

For the purpose of definition of Relative, they shall include person/entity as defined under subsection (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

CONFIDENTIALITY OF INFORMATION

The Company's confidential information is a valuable asset. Any information concerning the Company's business, its customers, or other entities that is not in the public domain and to which Directors have access or possess must be considered confidential and held in confidence, unless authorized to do so, and when disclosure is required as a matter of law. No Director shall provide any information, either formally or informally, to the press or any other publicity media unless specially authorized. This obligation extends to confidential information of third parties, which the Company has rightfully received under Non-Disclosure Agreements

DEALING IN COMPANY'S SHARES/INSIDER TRADING

No Director of the Company shall derive benefit or assist others in deriving benefit by giving investment advice from access to and possession of information about the Company not in the public domain, which therefore constitutes insider information. All Directors shall comply with the SDHI Insider Trading Code

The Insider Trading Code is strictly enforced, even in instances when the financial transactions are small. The Company shall inform the members of the Board of Directors of the period of closure of the trading window (“Prohibited Period”) for dealing with the shares and securities of the Company, to those who, as a consequence of their position with the Company, are likely to be exposed to Unpublished Price Sensitive Information (“UPSI”) of the Company. Directors shall refrain from trading in the Company’s securities during the Prohibited Period. Directors should acquaint themselves with the SEBI Prohibition of Insider Trading Regulations and the SDHI Insider Trading Code carefully, paying attention to liability and/or disciplinary action for insider trading violations. Directors should comply with the SDHI Insider Trading Code and follow the Pre-Clearance procedures to enable dealing with the Company’s securities and trade only during a non-prohibited period

GIFTS & DONATION

No Director of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favors or decisions for the conduct of the business. Accordingly, each Director shall ensure that dealings with third parties with whom the Company does business are concluded on terms that would generally be available to persons without the status of Director or Directors’ Relative.

Further, Director cannot, directly or indirectly, engage in corrupt practices including making, accepting, offering, or promising to make (or conduct) a bribe, kickback or other improper payments, benefits or advantages to any person, individual, entity or organization, or otherwise facilitate any direct payment to themselves (or others)

PROTECTION OF ASSETS

Directors' responsible to use of Company’s assets must protect the Company's assets, and information and must be used only for the legitimate business purposes.

DUTIES OF DIRECTOR

- Subject to the provisions of the Companies Act, 2013, a Director of the Company shall act in accordance with the articles of the Company;
- A Director of the Company shall act in good faith to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community;
- A Director of the Company shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- A Director of the Company shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company;

- A Director of the Company shall not achieve or attempt to achieve any undue gain or advantage, either for themselves or for their relatives, partners, or associates. If such a Director is found guilty of making any undue gain, they shall be liable to pay an amount equal to that gain
- Except as provided in the Companies Act, 2013, a Director of the Company shall not assign their office and any assignment so made shall be void.

In addition to above duties, the Independent Director shall also abide by duties specified in Schedule IV of the Companies Act, 2013 as amended.

CORPORATE OPPORTUNITIES

Director must not take for their own personal benefit, or that of any member of their immediate family, any opportunity that are discovered through the use of the Company's property, information or position.

PERIODIC REVIEW

Incoming Directors shall sign the Code of Conduct at the time of appointment.

Annually, every Director must affirm and sign to the Code of Conduct as per the requirement of Reg. 17 of the SEBI (LODR) Regulations 2015.

Certificate – Code of Conduct

I Mr./Ms. Director of the Company, confirm the compliance of Code of Conduct adopted by the Board of Directors of Swan Defence and Heavy Industries Limited pursuant to the Reg. 17 of the SEBI (LODR) Regulations, 2015 during financial year

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Name of the Director:

Designation: Executive / Non-Executive / Independent

Date:

Place:

This policy was adopted by the reconstituted Board at its meeting held on October 10, 2024