

Swaraj Automotives Limited

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Introduction

The Securities and Exchange Board of India (“SEBI”), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from May 15, 2015 and the same have been made applicable to all companies whose shares are listed on Indian stock exchanges. In compliance with these Regulations, Swaraj Automotives Limited (“Company”) has formulated this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”).

2. Purpose of the Code

This Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information.

3. Effective Date

This Code was approved by the Board and was made effective from October 16, 2015. The Code was last amended on April 1, 2019. The amended Code shall be effective from April 01, 2019.

4. Definitions:

For the purpose of this code the following terms shall have the meanings assigned to them hereunder:

- a. “Board” means the board of directors of the Company.
- b. “Chief Investors Relations Officer / CIRO” means the Company Secretary of the Company as designated by the Board, who shall deal with the dissemination of information and disclosure of UPSI.
- c. “Code” or “this Code” shall mean this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;
- d. “Company” or “the Company” means **Swaraj Automotives Limited (SAL)**,

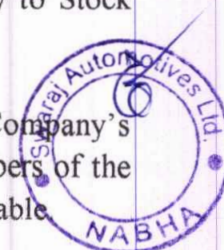


- e. **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis, such as information published on the website of the stock exchange(s). “Generally Available” with respect to information shall be construed accordingly;
- f. **“SEBI (PIT) Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- g. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof and means the securities of the Company (specifically excluding units of a mutual fund).
- h. **“Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to the 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 of the Company and shall, ordinarily include but not restricted to, information relating to the following:
 - a. financial results;
 - b. dividends;
 - c. change in capital structure;
 - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - e. changes in key managerial personnel;

Other terms not specifically defined here shall have the same meaning as assigned under the ‘Code of Conduct for Prevention of Insider Trading in Securities of Swaraj Automotives Limited’ and ‘the Insider Trading Regulations’ The provisions of this Code have to be read along with the Insider Trading Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

5. Principles of Fair Disclosure

- 1. **Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.**
 - 1.1 The Company shall ensure that UPSI shall be disclosed promptly to Stock Exchange(s) where the Securities of the Companies. are listed
 - 1.2 The said information shall also be promptly uploaded to the Company’s official website in order to be accessed by the investors and members of the Company and the public i.e. to make the information generally available.



- 1.3 Disclosure / dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- 1.4 The information filed by the Company with exchanges under continuous disclosure requirement shall be made available on the Company website in accordance with various statutes.
- 1.5 The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchange(s) where SAL Securities are listed, as required under the Insider Trading Regulations.

2. Uniform and universal dissemination of UPSI to avoid selective disclosure.

- 2.1 The UPSI shall be disseminated uniformly, continuously and universally to all stakeholders through the Stock Exchange and by posting the same on the official website of the Company. The Company shall use its best endeavors to avoid selective disclosure of UPSI. In case any UPSI gets disclosed selectively or inadvertently or otherwise, the Company shall promptly make generally available the above UPSI through dissemination of the same to the Stock Exchanges and by posting the same on the official website of the Company.

3. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

- 3.1 The CIRO would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the Insider Trading Regulations so as to avoid selective disclosure.
- 3.2 However, if any information gets disclosed selectively, inadvertently or otherwise, the Company:
 - 3.2.1 intimates the facts and rectified information to the Stock Exchange(s), where the securities of the Company are listed, for onward dissemination to the shareholders;
 - 3.2.2 Publicize the facts and rectified information, if required, in the Newspapers.

4. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

- 4.1 The CIRO shall provide a prompt, fair and appropriate response to any queries or requests for verification of market rumours by the regulatory authorities including the Stock Exchange. Such response shall be sent to all Stock



Exchanges, even if a query has been received from only one of the Stock Exchanges.

- 4.2 The CIRO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, if required.

5. **Information shared with analysts and research personnel is not UPSI.**

- 5.1 **Only Public information to be provided:** The Company shall provide only public information to the analyst/research personnel/large investors like institutions. The CIRO shall ensure that information shared with them is not UPSI. The information given to the analyst should be made public at the earliest.

- 5.2 **Simultaneous release of Information:** When a Company organises meetings with analysts and other investor relations conferences, the CIRO will ensure that the transcripts or records of proceedings of meetings with analysts and other investor relations conferences are posted on the official website of the Company, to ensure official confirmation and documentation of disclosures made. The Company may also consider live web casting of analyst meets.

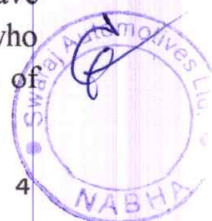
- 5.3 **Handling of unanticipated questions:** The Company should be careful when dealing with Analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be noted and a considered response given later. If the answer includes price sensitive information, then it should be made generally available before responding.

6. **Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.**

- 6.1 In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives be present at meetings with analysts, brokers or institutional investors and discussions should preferably be recorded.

7. **Handling of all UPSI on a need-to-know basis.**

- 7.1 The Company has in place various suitable safeguards, including "Code of Conduct for regulating, monitoring and reporting trading by Designated persons" to avoid UPSI becoming available to any person who is not required to have access to such information. UPSI, may however be disclosed, to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company.



8. Policy for Determination of Legitimate Purpose for sharing of UPSI

8.1 The Company has in place a policy for determination of legitimate purpose for sharing of UPSI. The same is attached as Annexure I of this Code.

9. Modifications

9.1 This Policy including annexures may be amended by the Board from time to time. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any mandatory changes required by the law. However, the amendment in the regulatory requirements shall be binding on the Company and shall prevail even if the same is not incorporated in this Policy.



POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE FOR SHARING OF UPSI

[Framed under Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. INTRODUCTION:

1.1 This Policy has been framed in compliance with the provisions of Regulation 3 (2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI (PIT) Regulations”).

1.2 This Policy will be applicable to all “Insider”.

1.3 This Policy shall come into force with effect from April 01, 2019.

1.4 Words and expressions used and not defined in this Policy or in the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information shall have the same meanings assigned to them respectively in the SEBI (PIT) Regulations or 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 the rules and regulations made thereunder, as the case may be, including amendment(s)/modification(s) thereto.

2. DEFINITION:

2.1 Insider means any person in receipt of UPSI of the Company for the purpose of this Policy and SEBI (PIT) Regulations.

2.2 Legitimate Purpose means sharing of UPSI by the Company for any purpose satisfying the following factors:

2.2.1 Must be shared in the ordinary of course of business;

2.2.2 Required to be done in furtherance of fiduciary duties or in fulfillment of any statutory obligation;

2.2.3 Information shared is in the interest of other Stakeholders; and

2.2.4 Information is not being shared for personal benefit but may result in personal gain consequently.

2.3 Ordinary course of business includes regular and usual day to day transactions, general customs and practices of a business performed in the Company.

3. SHARING OF UPSI:

3.1 The Company, in its ordinary course of business, share UPSI, for legitimate purpose, with:

➤ partners,



- collaborators,
- lenders,
- customers,
- suppliers,
- merchant bankers,
- legal advisors,
- auditors,
- insolvency professionals or
- other advisors or consultants,

Provided that such sharing is not been carried out to evade or circumvent the prohibitions of this code and SEBI (PIT) Regulations.

4. COMMUNICATION PURSUANT TO SHARING OF UPSI:

4.1 Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an Insider and due notice shall be given to such Insider to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations.

4.2 The Communicates shall require to execute agreements with the Company to contract confidentiality and non-disclosure obligations on the part of receivers of such UPSI and such outside parties shall keep information so received confidential, and shall not trade in securities of the Company when in possession of UPSI.

4.3 The Company shall take requisite information before communicating UPSI to such persons as per the internal policy of the Company, including but not limited to:

4.3.1 Full name of the recipient of UPSI;

4.3.2 Name of the entity whom the recipient represents

4.3.3 Complete residential address of recipient and registered office address of the recipient entity.

4.3.4 Permanent Account Number or other identifier authorized by law in case permanent Account Number is not available of the recipient and his entity.

5. AMENDMENT:

5.1 This Policy may be amended by the Board from time to time. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any mandatory changes required by the law. However, the amendment in the regulatory requirements shall be binding on the Company and shall prevail even if the same is not incorporated in this Policy.

