



**CODE OF CONDUCT TO REGULATE, MONITOR
AND
REPORT TRADING BY INSIDERS**

Policy	Code of conduct to regulate, monitor and report trading by insiders
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CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

1. INTRODUCTION

Trading in securities of a Company by Designated Persons and their Immediate Relatives based on Unpublished Price Sensitive Information (“UPSI”) erodes the investors’ confidence in the integrity of the management and is unhealthy for the capital markets. To put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework relating thereto, the Securities and Exchange Board of India (“SEBI”) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“SEBI PIT Regulations”). In compliance with Regulation 9 (1) of the SEBI PIT Regulations, the board of directors of Swara Baby Products Limited (“Swara” or “the Company”) has adopted this Code of Conduct to regulate, monitor and report trading by Designated Persons and Immediate Relatives of Designated Persons (“Code”). The objective of this Code is to ensure protection of Unpublished Price Sensitive Information of Swara Baby Products Limited and serve as a guideline to Designated Persons covered by the Code for trading in Securities of Swara Baby Products Limited. The Code is subject to the applicable prevailing law in relation to prevention of Insider Trading and if there is any inconsistency between any of the provisions of the Code and applicable law, the applicable law shall prevail.

2. DEFINITIONS

- i. “**Act**” means the Securities and Exchange Board of India Act, 1992
- ii. “**Applicable Law**” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto, or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.
- iii. “**Audit Committee**” means Audit Committee of the Company constituted as per the regulatory requirements.
- iv. “**Board of Directors or the Board**” means the Board of directors of the Company.
- v. “**Code**” or “**Code of Conduct**” means this “Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives” as amended from time to time.
- vi. “**Company**” shall mean Swara Baby Products Limited (Formerly known as Swara Baby Products Private Limited)
- vii. “**CFO**” means the Chief Financial Officer of the Company.

- viii. **“Chief Investor Relations Officer or CIRO”** means the Compliance Officer of the Company who shall be responsible for dissemination of information to analysts, investors, and research personnel for the purposes of this PIT Code.
- ix. **“Compliance Officer”** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under Applicable Law 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 the implementation of the codes specified under Applicable Law under the overall supervision of the board of directors.
- x. **“Company Shares”** shall mean securities of the Company.
- xi. **“Connected Person”** means:
- (i) Any person who is or has been during the six months prior to the concerned act, associated with a Company, in any capacity, 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, whether temporary or permanent, with the Company, that allows such a 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. A 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 Securities and Exchange Board of India Act, 1992 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 recognized 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 sub- clause (i) of clause (xii) is also a partner; or
 - l. a person sharing household or residence with a connected person specified in sub- clause (i) of clause (xii)

xii. **“Contra Trade”** means a trade or transaction which involves buying or selling any number of securities of the Company and within 6 (six) months, trading or transacting in an opposite transaction involving sell or buy following the prior transaction.

xiii. **“Designated Person(s)”** shall mean and include

- All the Directors of the Company;
- Employees of Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their Board of Directors;
- Employees of material subsidiaries of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their Board of Directors;
- Promoters and members of promoter group;
- Chief Executive Officer and employees up to 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;
- Any support staff of the Company such as IT staff or secretarial staff who have access to unpublished price sensitive information; and
- Any other person(s) as the Board of Directors shall in consultation with the compliance officer to be covered by the Code on the basis of their role and function in the Company and the access that such role and function would provide to UPSI in addition to seniority and professional designation.

For the purpose of this Code, the term Designated Person shall include his/her Immediate Relatives as specified in clause xvii below.

Note: All the obligations/responsibilities with respect to compliance with this code relating to the Immediate Relatives, shall devolve upon the Designated Persons.

xiv. **“Directors”** means all the Directors on the Board of the Company

xv. **“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.

xvi. **“Immediate Relative”** means 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 company shares.

xvii. **“Insider”** means any person who is:

- a. a connected person; or
- b. in possession of or has access to Unpublished Price Sensitive information.

- xviii. **“Key Managerial Person (KMP)”** in relation to the Company means:
- a. Chief Executive Officer or the Managing Director or the Manager;
 - b. Company Secretary;
 - c. Whole time Director;
 - d. Chief Financial Officer;
 - e. Such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board:
- xix. **“Legal Representative”** means a duly authorised individual who is admitted to the practice of law in India.
- xx. **“Legitimate Purpose”** shall have its meaning as per the Company Code of Practices and Procedures for Fair Disclosure of UPSI (**“Fair Disclosure Code”**).
- xxi. **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.
- xxii. **“Material Subsidiary”** shall have the same meaning as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- xxiii. **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- xxiv. **“Promoter Group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- xxv. **“Relative”** means:
- a. spouse of the person;
 - b. parent of the person and parent of its spouse;
 - c. sibling of the person and sibling of its spouse;
 - d. child of the person and child of its spouse;
 - e. spouse of the person listed at sub-clause (iii); and
 - f. spouse of the person listed at sub-clause (iv)
- xxvi. **“SEBI PIT Regulations”** means SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.
- xxvii. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- xxviii. **“Stock Exchanges”** shall mean the National Stock Exchange of India Limited (NSE) and

/or BSE Limited (BSE) or any other recognized Stock Exchange where Company Shares are listed.

- xxix. **“Takeover Regulations”** means the Securities and Exchange Board India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or any modification thereof.
- xxx. **“Trade or Trading”** means and includes subscribing, redeeming, switching, buying, selling, pledging, dealing, or agreeing to subscribe, redeem, switch, buy, sell, pledge deal in any securities either as principal or agent and "trade" shall be construed accordingly.
- xxxi. **“Trading day”** means a day on which the recognized Stock Exchanges are open for trading.
- xxxii. **“Trading Plan”** has the meaning ascribed to in Clause 5 of the SEBI PIT Regulations.
- xxxiii. **“Trading Window”** means a trading period during which the trading in the securities can be done.
- xxxiv. **“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 and shall, ordinarily including but not restricted to, information relating to the following:
- a. Financial Results
 - b. Dividends
 - c. Changes in capital structure
 - d. Mergers, de -mergers, acquisitions, delisting, disposals, and expansion of business and such other transactions
 - e. Changes in Key Managerial Personnel
 - f. such other information as may be deemed to be constituted as UPSI by the Managing Director & CEO, Group Chief Financial Officer and the Compliance Officer of the Company from time to time

Note: All terms used in this Code but not defined hereinabove shall have the meanings prescribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Companies Act, 2013 and rules and regulations made there under.

3. COMPLIANCE OFFICER

- a) The Board has appointed Company Secretary as the Compliance Officer. The 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 SEBI PIT Regulations under the overall supervision of the Board of the Company.

- b) The Compliance Officer shall maintain records of Designated Persons and any changes made to the list of Designated Persons, all the declarations submitted in the appropriate form given by the Designated Persons.
- c) The Compliance Officer shall ensure proper assistance to all the employees / directors/ designated persons in addressing any clarifications regarding the SEBI PIT Regulations and this Code.
- d) The Compliance Officer shall in consultation with the chairman and/or managing director specify prohibited period (i.e. closure of the Trading Window) from time to time and make announcement/s there of ensuring that prohibited period is intimated to all concerned before the commencement of the said period.
- e) The Compliance Officer shall grant pre-clearance approvals to the Designated Persons for dealing in the shares of the Company by them / their immediate relatives and monitoring of such dealings and changes to be made thereto from time to time and monitoring trade.
- f) The Compliance Officer shall approve and publicly disclose the trading plan presented to him/her by the insider after which trades may be carried out by the insider in accordance with such plan.
- g) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI PIT 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.
- h) The Compliance Officer shall notify the trading plan to the stock exchanges, on approval of the trading plan.
- i) The Compliance Officer shall implement punitive measures or disciplinary action prescribed for any violation or contravention of this Code.
- j) The Compliance Officer shall annually provide reports of trading by Designated Persons to the Board of Directors and chairperson of the Audit Committee.
- k) The Compliance Officer shall ensure maintenance of a Structured Digital Database and other related records in consultation with the Chairman & Managing Director/CFO, and changes made thereto from time to time.
- l) The Compliance Officer shall maintain a database of the violations of Code of Conduct by Designated Persons and immediate relatives of Designated Persons.
- m) The Compliance Officer shall perform such duties/responsibilities and undertake such actions as may be directed by the board of Directors or Audit Committee in pursuance

of SEBI PIT Regulations.

- n) The Compliance Officer may engage external consultants, advisors or experts for putting in place an IT - enabled software or system to automate the compliances under this Code including seeking disclosures and undertakings from Designated Persons and Insiders, sending intimations to such persons regarding Closure of Trading Window, etc.

4. PRESERVATION OF UPSI AND CHINESE WALLS PROCEDURES

- a) All UPSI is to be handled on a “Need to Know” basis, i.e. UPSI 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 likelihood of misuse of the information.

To prevent the misuse of confidential information the Company adopts a ‘Chinese Wall’ policy thereby separating those areas/departments of the Company which routinely have access to confidential information, considered as ‘Inside Areas’ from those areas/departments which deal with sale / marketing/ B2F team/ B2H team/ Sourcing team travelling to vendor factories (Home Brands)/ B2D team or other departments providing support services, considered as ‘Public Areas’.

The following shall act as a guideline in the implementation of a Chinese Walls policy:

- The employees in the Inside Areas are not allowed to communicate any UPSI to anyone in the Public Areas;
 - The employees in the Inside Areas may be physically separated from the employees in Public Area;
 - Employees from the Public Areas may be ‘brought over the wall’ and allowed the possession of UPSI only in exceptional circumstances and on a strict ‘need to know’ basis, as per the intimation and under the supervision of the Compliance Officer.
 - The employees in the inside areas shall not communicate any UPSI to any one in public area. Demarcation of various departments as ‘inside area’ may be implemented by the Compliance Officer, in consultation with the Chief Financial Officer of the Company.
 - In exceptional circumstances i.e. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, any Designated Person may be permitted to ‘cross the wall’ and give UPSI to any person on a ‘need to know’ basis, which shall be intimated to the Compliance Officer.
 - The establishment of "chinese walls" is not intended to suggest that price sensitive information can circulate freely within inside areas. The ‘need-to-know’ principle shall be fully in effect within “Inside Areas”.
- b) No insider shall communicate, provide, or allow access to any UPSI, relating to the Company or shares of 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.

No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or Company Shares, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- c) Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the SEBI PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with SEBI PIT Regulations.
- d) However, UPSI 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 the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
 - does not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of the informed opinion that the proposed transaction is in the best interests of the Company and the information that constitutes 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 may determine to be adequate and fair to cover all relevant and material facts.

For the above purposes, the Board 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 purpose of this clause and shall not otherwise trade in Company Shares when in possession of UPSI.

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

5. PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

All Designated Persons and their Immediate Relatives shall be subject to trading restrictions enumerated herein. As a general overriding rule, no Insider shall trade in Company Shares when in possession of UPSI. When a person who is in possession of UPSI, has traded in Company Shares, his trades would be presumed to be motivated by the knowledge and awareness of such information in his possession.

a) Trading Plan:

An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades are carried out on his behalf in accordance with such plan. This gives an option to persons who may be perpetually in possession of UPSI and enabling them to trade in Company Shares in a compliant manner.

b) 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:
 - (i) either the value of trade to be effected or the number of securities to be traded;
 - (ii) nature of the trade;
 - (iii) either specific date or time period not exceeding five consecutive trading days;
 - (iv) 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; and
- iv. not entail trading in securities for market abuse.

c) The Compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI PIT Regulations. The Compliance Officer 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. However, pre- clearance of trades shall not be required for a trade executed as per an approved trading plan and trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

d) 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.

However, 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.

If the insider has set a price limit for a trade under clause 5(b)(iii)(iv) of this code, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

e) The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on the day of approval.

f) The non-implementation (full/partial) of a Trading Plan due to either of the reasons enumerated in sub-regulation 4 of SEBI PIT Regulations or failure of execution of trade due to inadequate liquidity in the scrip, must be informed to the Compliance Officer within 2 (two) trading days of the end of tenure of the Trading Plan with reasons thereof and supporting documents, if any. The Compliance Officer will then present this information to the Audit Committee in the next meeting, along with a recommendation to accept or reject the submissions of the Designated Person. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not. The decision of the Audit Committee shall be notified by the Compliance Officer on the same day to the Stock Exchanges on which its securities are listed. If the Audit Committee rejects the Designated Person's submissions, the Compliance Officer shall take action as per the Code.

6. TRADING IN THE COMPANY SHARES

a) Trading Window

- i. Other than the period(s) for which the 'Trading Window' is closed as prescribed hereunder, the same shall remain open for trading in the Company Shares by the Designated Persons and their Immediate Relatives. Trading Window will be closed from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by the audit committee and the Board meeting should be as narrow as possible and preferably on the same date to avoid leakage of material information.
- ii. In addition to the above, Trading window may be closed by the Company during such times in addition to the above period as it may deem fit from time to time including when the Compliance Officer determines that a Designated Persons or a class of Designated Persons can be reasonably expected to possess UPSI till 48 hours after the UPSI is made public.
- iii. No Designated Person and their Immediate Relatives shall trade in the Company Shares of the Company when the Trading Window is closed.
- iv. It shall be the responsibility of the Designated Persons to advise their Immediate Relatives of Trading Window period closures.
- v. The trading window restrictions shall not apply in respect of transactions:
 - o specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the SEBI PIT Regulations and in respect of a pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the respective regulations made by SEBI;

which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

vi. Pre-clearance of Trades

All Designated Persons of the Company, who intend to trade in the Company Shares, when the trading window is open and the value of the trades in that calendar quarter exceeds the threshold limit of INR 10 lakhs (except for the exercise of stock options by employees) either in one transaction or in a series of transactions, shall intimate the intention to trade in the Company Shares in the format specified in Annexure A and shall pre-clear the trade from the Compliance Officer, prior to undertaking the transaction.

Further, in case Compliance Officer intends to trade in the Company Shares, when the trading window is open exceeding the thresholds above, he/she shall pre-clear the trade from the Managing Director & CEO or Group Chief Financial Officer of the Company.

Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the Designated Person applying for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

Designated Person shall execute pre-cleared trade within 7 (seven) trading days from approval. In case of non-trading, Designated Person shall report his decision of non-trading to Compliance Officer by submitting a declaration to this effect in the format as provided in **Annexure A1** within 2 (two) trading days after expiry of 7 trading days from approval.

Designated Person who does not trade within 7 (seven) trading days of pre-clearance shall seek fresh pre-clearance for the transactions to be executed.

The pre-clearance of trade shall not be required if the trade has been executed as per the trading plan approved by the Compliance Officer.

Designated Persons in possession of UPSI are not eligible to apply for pre-clearance of any proposed trade even if trading window is open.

The restrictions contained in this clause shall also apply to Immediate Relatives in respect of which the concerned Designated Person shall be responsible for the compliance under this policy.

The Compliance Officer may delegate the power to clear the pre-clearance requests to the Function Head handling this process while the Compliance Officer is on leave or travelling.

Any compliance undertaken through Digi Insider Trading Regulatory Compliance Tool will be treated as compliance under SEBI PIT Regulations.

e) Restriction on Opposite Transactions (Contra Trade)

Designated Persons or their immediate relatives who is permitted to trade are restricted from entering into opposite transactions i.e., sell or buy any number of shares during next six months following the prior transaction.

Explanation: if a Designated Person or their immediate relatives has bought shares of the Company, he can continue to buy the shares (when the Trading Window is open and subject to pre-clearance incase the threshold as specified in this Code is breached) but cannot sell any number of shares for a period of 6 months from the last date when he bought the shares. Similarly, if he sells the shares of the company, he can continue to sell (when the Trading Window is open and subject to pre-clearance if the threshold specified in this Code is exceeded) any number of shares but cannot buy any shares for a period of 6 months from the last date when he sold the shares.

In case of personal emergency, the 6 months holding period may be waived by the Compliance Officer after recording in writing the reasons in this regard provided that such relaxation does not violate SEBI PIT Regulations. It may however be noted that no such purchase/sale will be permitted when the trading window is closed.

Notwithstanding the above, should the Designated Persons or their immediate relatives

execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

However, the above-mentioned restrictions shall not be applicable to trades pursuant to exercise of stock options.

7. REPORTING REQUIREMENTS FOR TRANSACTIONS IN COMPANY SHARES

The disclosures of trading in Company shares to be made by any person under this Code shall also include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

a) Initial Disclosures

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 Company Shares as on the date of appointment or becoming a promoter, to the Company within 7 (seven) days of such appointment in the Form B as set out in Annexure B.

b) Continual Disclosures

- i. In case of any Designated Persons and/or their Immediate Relatives who are not covered under the System Driven Disclosure and who have obtained pre-clearance, the Designated Person must file with the Compliance Officer the details of the transactions in the format provided in Form C as provided in Annexure C or any format specified by SEBI within 2 trading days from the date of trading where the traded value whether in one transaction or a series of transactions, exceeds the threshold of Rs. 10 (ten) Lakhs in a calendar quarter.
- ii. The Company may, at its discretion, require any other Connected Person(s) to make disclosure of holdings and trading in shares of the Company in the form and manner as set out in Annexure D and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with SEBI PIT Regulations.
- iii. Designated Persons shall disclose the names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis within 30 days from the end of the financial year. In case of any changes in such information, the Designated Person shall inform the Company of such change promptly in the form and manner as set out in Annexure E:
 - a. Immediate Relatives
 - b. persons with whom such Designated Person(s) shares a Material Financial Relationship
 - c. Phone numbers including mobile numbers which are used by the above persons

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis to the Company in the form and manner as set out in Annexure F.

“Material Financial Relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual

income of such Designated Person but shall exclude relationships in which the payment is based on arm's length transactions.

- iv. Where the Designated Person does not hold any Company Shares either in his/her name or in the names of his/ her immediate relatives, he/ she shall furnish the report in the format prescribed, stating the shareholding as NIL.
- v. Where it is subsequently found that the Designated Person was holding Company Shares (either directly or in the name of his/ her immediate relatives) and the same was not duly reported, the Designated Person shall be treated as violating this Code of Conduct and the Company may forthwith proceed to take penal action prescribed in this Code of Conduct.

Note: Filings with Stock Exchanges will be driven by system driven disclosure as per SEBI Circular dated 1st December 2015.

8. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT

- a) Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her immediate relatives). Any Designated Person who trades in Company shares or communicates any information for trading in company shares, in contravention of this Code may be penalized by the Board of Directors as they may deem fit and appropriate action would be taken.
- b) 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.
- c) The Compliance Officer shall report all the breaches of this Code to the Board. In the event of a breach of the SEBI PIT Regulations, the Company shall promptly inform the Stock Exchanges where Company Shares are traded, in such form and manner as may be specified by SEBI from time to time.
- d) Designated Persons who violate the Code may also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, etc. Any amount collected under this shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

9. PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTION(S)

The Managing Director or the Whole-time Director or the Chief Executive Officer or the Chief Financial Officer or the Compliance Officer of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers,

suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following:

- (a) in the ordinary course of business.
- (b) in furtherance of performance of duty(ies);
- (c) for discharge of legal obligation(s).
- (d) for any other genuine or reasonable purpose as may be determined by the Managing Director or the Chief Executive Officer of the Company;
- (e) for any other purpose as may be prescribed under the securities regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of UPSI shall be considered an “Insider” for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the SEBI PIT Regulations.

10. INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI) OR SUSPECTED LEAK OF UPSI

An employee or an Insider or a Designated Person of the Company, upon becoming aware of an actual or suspected leak of UPSI of the Company, shall promptly inform the same to the Compliance Officer of the Company.

An inquiry in case of leak of UPSI or suspected leak of UPSI, shall be reported and conducted in the manner as stated in ‘policy for procedure of inquiry in case of leak or suspected leak of UPSI ’ as approved by the Board of Directors of the Company.

11. REVIEW AND AMENDMENTS

The Board reserves the power to review and amend this Code of Conduct from time to time. All provisions of this Code would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

12. CONTACT DETAILS OF COMPLIANCE OFFICER:

Mr. Tushar Gunjalkar
Company Secretary and Compliance Officer
Swara Baby Products Limited
Plot No. 381 to 388, Sector III, Pithampur, Dhar, Madhya Pradesh 454774
Email: company.secretary@swarababy.com

ANNEXURE – A

APPLICATION FOR PRE-CLEARANCE OF TRADING

To,
The Compliance Officer,
Swara Baby Products Limited
Plot No. 381 to 388, Sector III,
Pithampur, Dhar, Madhya
Pradesh 454774

Sub: Application for Pre-dealing in Company shares

Pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct, I seek approval to purchase / sell / subscribe equity shares of the Company as per details given below:

Transaction in name of	
Relation	
PAN	
DP ID/CL ID/Folio No.	
Type of Transaction	Open Market Purchase / Open Market Sale/ ESOP cash / ESOP Cashless / Gift
Type of Securities	
Number of Shares	

(Please give additional information if the transaction is proposed to be effected through connected persons or as a Trustee).

UNDERTAKING

I hereby undertake and confirm:

- (a) that I (or my immediate relative) do not have any access or have not received price sensitive information up to the time of signing of this undertaking.
- (b) that in case I access to or receive any price sensitive information after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) that I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- (d) that I shall not enter into any opposite transaction i.e. selling or buying any number of shares during the next six months following the prior transaction.
- (e) that I have made a full and true disclosure in this application.

Date: _____

(Signature)