



# Onward Technologies Limited

Code of Internal Procedures and Code of Conduct  
for Prevention of Insider Trading and Policy for  
Legitimate Purpose

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## **I. INTRODUCTION**

### **BACKGROUND:**

Onward Technologies Limited (“the Company” or “OTL”) is committed to increasing the wealth of all its stakeholders. The Company believes that this objective of wealth creation can only be achieved by ensuring transparency and fairness in dealing with all the stakeholders and in ensuring adherence to all applicable laws and regulations not only in letter but also in true spirit. In this regard, one of the important legal requirements peculiar to the listed companies is to protect the confidential non-public information and prohibit its misutilization by laying down appropriate internal procedures and a code of conduct. Towards this end, the Company strives to preserve the confidentiality of unpublished price sensitive information and prevent misuse of the same.

Insider trading refers to the trading in a company’s equity shares or other securities by individuals, whether directly or through other persons, with access to confidential or non-public information which are price sensitive i.e. when such information is published it is likely to materially affect the price of securities of the Company (“the Unpublished Price Sensitive Information” or “UPSI”). Further insider trading includes dissemination of Unpublished Price Sensitive Information by communicating such information or counseling any other person. Taking unfair advantage of this privileged access is considered a breach of the individual’s fiduciary duty. It often happens that the person who are in a fiduciary position with the company and are expected to work in the best interest of the company, abuse their position and powers by wrongly using the confidential information in their possession for their own monetary gains. This practice amounts to breach of trust and is a punishable offence under applicable law.

The Securities and Exchange Board of India (“SEBI”) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the SEBI Regulations”) so as to curb the practice of insider trading in India. The SEBI Regulations requires all listed companies and other specified entities to lay down an appropriate effective mechanism and to formulate and implement a code of conduct to regulate, monitor and report trading and prescribing various prohibitory actions and disclosure requirements to prevent and prohibit insider trading.

### **OBJECTIVE:**

The objective of this Code is to provide a level playing field for the Company’s officers and the general investors in the securities market thereby ensuring transparency and fair play in securities’ transaction(s). The Code lays down in a concise manner the ethical values and legal requirements which need to be adhered by the Designated Persons, to whom the Code is applicable, so as to promote the corporate culture of trust, honesty, integrity, transparency and accountability and to contribute to the value creation for all the stakeholders.

Promoters and persons forming part of the Promoter Group, other designated employees and Statutory Auditors and other connected persons of the Company who are in possession of UPSI adhere to the SEBI (PIT) Regulations 2015.

#### **EFFECTIVE DATE:**

In substitution of the earlier code, in order to tune it in line with the amendments as prescribed by the SEBI from time to time this revised Code of Conduct for Prevention of Insider Trading has been adopted by the Board of Directors of the Company which shall come into force with immediate effect.

## **II. DEFINITIONS**

Words and expressions used and not defined in the Code 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 and regulations made thereunder and AOA of the Company shall have the same meanings respectively assigned to them in those legislations/ by laws.

- (a) **"Board"** means the Board of Directors of the Company
- (b) **"The Company"** or **"OTL"** means Onward Technologies Limited.
- (c) **"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 SEBI 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 the implementation of the codes specified in SEBI regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

Explanation – For the purpose of this regulation, "financially literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- (d) **"Connected Person(s)"** means :-
  - (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity 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 between himself and the company whether temporary or permanent, that allows such 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). an immediate 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 Act 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 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

(e) **“Code” or “Code of Conduct”** shall mean this code as adopted by the Board of Directors of the Company laying down internal procedures and code of conduct for prevention of insider trading and to regulate, monitor and report trading including all amendments made thereto from time to time framed pursuant to Regulation 9 of the SEBI Regulations.

(f) **“Designated Person(s)”** shall mean:

(i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;

(ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;

(iii) All promoters of listed companies 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 such listed 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 listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.

- (h) **“Fiduciaries”** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.
- (i) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges.
- (j) **“Immediate Relative(s)”** of a person means a spouse, or the parent, sibling or child of that person or his or her spouse, if they are either dependent financially on such person or consult such person in taking decisions relating to Trading in securities.
- (k) An **“Insider”** means any person who is:
  - a. a Connected Person or
  - b. in possession of or having access to UPSI.
- (l) **“Legitimate Purpose”** shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. The Company may share the UPSI if required in the interest of the Company. Legitimate Purpose shall inter-alia include sharing of UPSI on need to know basis 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 prohibitions of the Regulations. (Regulation 3(2A) and 3(2B)).
- (m) **“Need to Know Basis”** means the disclosure of Confidential Information only to those within the Company who need the information to discharge their duties.
- (n) **“Officer”** means any persons as defined in section 2(30) of the Companies Act, 1956 or section 2(59) of the Companies Act, 2013, as the case may be, including the Auditor of the Company.
- (o) **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2[2018] or any modification thereof;
- (p) **“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.
- (q) **“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 SEBI, stock exchange(s) or registrar of companies in connection with the listing; or (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;
- (r) **“Prohibited Period”** shall mean period during which the trading window shall remain close in accordance with the provisions of this Code or as may be decided by the compliance officer.

- (s) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.
- (t) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and **“trade”** shall be construed accordingly.
- (u) **“Trading Window”** shall mean the period when dealing in Securities of the Company by the Designated Person(s) may be permitted, provided such a period is not a Prohibited Period.
- (v) **“Trading day(s)”** means day(s) on which recognized stock exchange(s) are open for trading.
- (w) **“Unpublished Price Sensitive Information (“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 Securities of the Company and shall, ordinarily include but not be 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 and such other transactions; and
  - (v) changes in key managerial personnel; All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

### **III. APPOINTMENT AND ROLE OF COMPLIANCE OFFICER**

#### **Appointment of Compliance Officer:**

- 1) The Board of Directors may from time to time designate any senior level employee of the Company to be the Compliance Officer for the purpose of SEBI Regulations and this Code of Conduct.
- 2) The Managing Director / Chief Executive Officer of the Company shall ensure that the appointment of the Compliance Officer or any change thereof including the name and contact details of the Compliance Officer is disseminated to the Designated Persons to whom this Code of Conduct is applicable and also to the regulatory authorities, wherever required,

#### **Duties of the Compliance Officer:**

- 1) The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Confidential Information, pre-clearing of Designated Persons’ trades, monitoring of trades and the implementation of this Code of Conduct under the overall supervision of the Board of Directors.
- 2) The Compliance Officer shall maintain a list of the Designated Persons and any changes made therein from time to time and such other relevant records as may be deemed appropriate by the Compliance Officer for the purpose of compliance with the Code of Conduct and SEBI Regulations.



- 3) The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the SEBI Regulations and this Code of Conduct.
- 4) The Compliance Officer may on his on motion or in consultation with the Managing Director or as directed by the Board, specify the Prohibited Period from time to time and immediately make an announcement thereof. The Compliance Officer shall maintain the records of the Prohibited Period specified from time to time.
- 5) The Compliance Officer shall ensure that the Prohibited Period is intimated to all the concerned at least 48 hours before the commencement of the said period.
- 6) The Compliance Officer shall issue warnings, impose penalties or initiate the disciplinary actions against the Designated Persons for any non-compliance of this Code and inform the SEBI any violation of SEBI Regulations and/or any other regulatory authority, as may be required.
- 7) The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades
- 8) The Compliance Officer shall provide a report to the Board of Directors and Audit Committee on quarterly basis showing the status of compliance of SEBI Regulations and this Code by the Directors, Officers and Designated Employees, request received for pre clearance, waiver of minimum holding period etc.
- 9) The Compliance Officer shall maintain records of all the applications, forms, undertakings, declarations etc. submitted by the Designated Persons in terms of this Code for a minimum period of 5 (five) years.

The Compliance officer is empowered to establish such mechanisms as he may consider necessary for ensuring strict adherence to this Code after the approval by the Board of Directors. He shall suggest modifications in the Code to the Board of Directors from time to time so as to improve the scope, preserve the Confidential Information and prevent Insider Trading.

#### ***(IV) Communication or procurement of unpublished price sensitive information:***

(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or 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 unpublished price sensitive information, relating to a 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 unpublished price sensitive information 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 takeover regulations where the board of directors of the listed company is of informed opinion that the sharing of such information is in the best interests of the company;

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that the sharing of such information is in the best interests of the company and the information that constitute unpublished price sensitive information 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) For purposes of sub-regulation (3), 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 purpose of sub- regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

(5) The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non- tampering of the database.

**Trading when in possession of unpublished price sensitive information:**

3. (1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

**Explanation-** When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession;

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

(i) the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties

had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub regulation (3) of regulation 3 of SEBI regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

(ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of SEBI regulations.

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

(iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

(v) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price

sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that SEBI regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(vi) the trades were pursuant to a trading plan set up in accordance with regulation 5.

**NOTE:** When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.

(2) In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

(3) The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of SEBI regulations.

***Restriction on communication of unpublished price sensitive information (UPSI)***

- 1) As stated in the introduction para, UPSI means any information which relates directly or indirectly to the Company and is not known or published by the Company for general information, but which if published or known is likely to materially affect the price of Securities of the Company.
- 2) All Designated Persons shall maintain the confidentiality of all Price Sensitive Information and for which they would sign an undertaking that they shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities, except in the process of carrying out his/her own official duty/responsibility.
- 3) All Designated Persons shall adhere to the following:
  - a) When the Trading Window is closed, the Designated Persons shall not trade in the Company's Securities in such period.
  - b) The Designated Persons shall not acquire/purchase/sell the Company's Securities either on behalf of themselves or others, when in possession of UPSI.
  - c) The Designated Persons shall not communicate, counsel or procure, directly or indirectly, any UPSI to any person or pass on such information to any persons, directly or indirectly, by way of making recommendations for acquisition/sale of the Company's Securities.
  - d) All UPSI shall be handled strictly on a "Need to Know Basis" i.e. UPSI shall be communicated to any person for legitimate purposes, to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information. All such information directly received by any Designated Person from any source outside of the Company should immediately be reported to the Compliance Officer directly or through his/her head of department.
  - e) If in performance of duties, it is necessary for the Designated Person to disclose any Unpublished Price Sensitive Information / Confidential Information to any outsider including but not limited to consultant(s)/advisor(s)/ auditor(s)/ merchant banker(s) /share transfer agent(s), etc. then such outsider(s) and/or any of their representative(s) shall not deal in the Securities of the Company during the term of their engagement with the Company or any of its subsidiaries or till such time the information disclosed to them is made public by the Company.

- f) The Designated Person disclosing any UPSI to outsiders shall immediately inform the Compliance Officer and shall also be responsible to ensure that the outsider(s) have also signed the undertaking as per **Annexure VI**.
- g) Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

a) immediate relatives

b) persons with whom such designated person(s) shares a material financial relationship

c) Phone, mobile and cell numbers which are used by them

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.

Explanation – The term “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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions

- 4) All the files / papers containing Confidential Information / Unpublished Price Sensitive Information shall be kept secured by all the Designated Persons. If such files are computer files then the same must have adequate security in accordance with the information system security policy of the Company.
- 5) It shall be the duty of all Designated Persons to take adequate measures to ensure the safety and security of all UPSI in their possession. The loss or misuse of any UPSI shall be immediately intimated to the Compliance Officer.
- 6) Designated Persons and immediate relatives of designated persons in the organization shall be governed by this Code of conduct.

## ***V. TRADING RESTRICTIONS AND PRE-CLEARANCE OF TRADES***

### **A. Trading Restrictions**

The period prior to declaration of UPSI is particularly sensitive for transactions in the Company’s Securities. This sensitivity is due to the fact that the Designated Persons will, during that period, often possess UPSI. Therefore, during such period all Designated Persons should refrain from dealing in Securities of the Company.

An Insider shall not, directly or indirectly, –

- 1. Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- 2. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the restriction in V. A. 1.above shall not apply to:

- a) A transaction that is an off-market inter-se transfer between Promoters or promoter group who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision; and
- b) Trades pursuant to a Trading Plan set up in accordance with these Rules.

## **B. Trading Window**

1. All Designated Persons should conduct their trades in the Securities of the Company only during a valid Trading Window and shall not deal in the Securities of the Company when the Trading Window is closed or during the Prohibited Period.
2. The Company has designated the Trading Window as the period during which the transactions in the Securities of the Company can be effected by Designated Persons.
3. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information
4. The Trading Window shall remain closed after end of every quarter till 48 hours of after the declaration of results . In any other cases the Trading Window shall remain closed during the period 7 (seven) days prior to the date of the Board Meeting and such other period as may specified by the Compliance Officer from time to time. Such period is known as Prohibited Period during which no dealings in the Securities of the Company should be carried on.
5. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information 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.
6. The Prohibited Period including the dates of the Board Meetings will be generally informed through emails to all the Designated Persons / employees of the Company. Any Designated Persons who intend to deal in the Securities of the Company has an obligation to keep in mind the Prohibited Period and should refrain from dealing in Securities of the Company during the Prohibited Period.
7. The Trading Window shall be generally closed, inter alia, at the time of:-
  - a) Declaration of financial results (quarterly, half-yearly and annual);
  - b) Declaration of dividends (interim and final);
  - c) Issue of Securities by way of public/ rights/bonus, etc;
  - d) Any major expansion plans or execution of new projects;
  - e) Amalgamation, mergers, takeovers, buy-back and other corporate restructurings;
  - f) Disposal of whole or substantially whole of the undertaking;

- g) Any material changes in policies, plans or operations of the Company;
  - h) Disruption of operations due to natural calamities;
  - i) Litigation/dispute with a material impact;
  - j) Revision of credit ratings assigned to any debt or equity instrument of the Company;
  - k) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the Securities of the Company;
6. There is an absolute prohibition on entering trades in the derivatives segment, if any, of the Company's shares at any time, by the Designated Persons of the Company.
7. In case of ESOPs, exercise of option may be allowed during the Prohibited Period when the Trading Window remains closed. However, sale of Securities allotted on exercise of ESOPs or disposing of the same in any other manner shall not be allowed during the Prohibited Period.

### **C. Pre-Clearance of Trades**

In order to ensure that all dealings in the Securities of the Company by the Designated Persons take place only during the valid Trading Window and no such dealings are effected during the Prohibited Period, all Designated Persons who propose to deal in Securities of the Company beyond the specified limits, should pre-clear the intended transaction i.e. obtain prior approval from the Compliance Officer as per the pre-clearance procedure described hereunder.

#### **Limits for Pre-Clearance of trades**

At present, Pre-Clearance is required for dealing in securities of the Company during the calendar quarter as follows:

- (a) For Purchase of Securities of Onward Technologies Limited - Transactions for dealing in securities of the Company above – 10,000 shares or Rs.8,00,000, whichever is lower.
- (b) For Sale of Securities of Onward Technologies Limited - Transactions for dealing in securities of the Company above – 8,000 shares or Rs. 9,00,000, whichever is lower.

#### **Procedure for Pre-Clearance of trades**

1. An application for pre-clearance of trade shall be made in "Form for Pre-Clearance of Trades" as specified in "**Annexure I**" to this Code to the Compliance Officer. The duly filled-up and signed form should be submitted to the Compliance Officer in duplicate. In case of trades proposed to be carried out by the immediate relatives, the form and other documents required to be executed in terms of this Code should be submitted by the concerned individual having direct relationship with the Company viz. Directors, Officers, Designated Employees, Promoters and persons' part of the Promoter Group.
2. Along with the "Form for Pre-Clearance of Trades", an undertaking in the format specified in "**Annexure II**" shall be executed in favour of the Company addressed to the Compliance Officer by such Designated Persons.

3. On receipt of the dully filled-up “Form for Pre-Clearance of Trades” along with the undertaking as stated above, the Compliance Officer should verify the details mentioned therein and if found appropriate accord his approval within three (3) trading days of the receipt of the application for pre-clearance in the format specified in the “**Annexure III**” to this Code (“Approval Letter for Pre-Clearance of Trades”). The Compliance Officer should obtain the acknowledgment of the applicant on the duplicate of the “Approval Letter for Pre-Clearance of Trades”. However if the Compliance Officer is of the opinion that the approval should not be granted in order to ensure compliance of this Code or the SEBI Regulations then he shall intimate the disapproval on plain paper in duplicate citing therein the reasons for disapproval and obtain the acknowledgment of the applicant on the duplicate. There will be no further obligations on the part of the Compliance Officer to justify the reasons for disapproval and the Designated Person shall be bound by the reasons cited.
4. The Designated Person should submit the intimation of execution of the trade for which the pre-clearance permission was obtained in duplicate in the format specified in the “**Annexure IV**” to this Code within three (3) trading days of the execution of the trade (“Intimation Letter for Execution of Trade”). The Designated Person should obtain the acknowledgment of the intimation on the duplicate of the “Intimation Letter for Execution of Trade”. If no transactions are entered into a “NIL” report in the said format shall be submitted.

#### **Other restrictions and related matters**

1. The Designated Person shall not enter into the proposed transaction for which an application for pre-clearance is submitted with the Compliance Officer till the time the approval is not granted by the Compliance Officer. Generally, the approval will be given by the Compliance Officer within 3 (three) Trading Days, however in some cases the Compliance Officer may take more than 3 (three) Trading Days in order to ensure that no violation of this Code or the SEBI Regulations should take place, if the approval is granted.
2. All Designated Persons shall execute their trade in Securities of the Company for which approval is obtained within 7 (Seven) Trading Days from the date of the approval of pre-clearance of trade. If the proposed transaction is not executed within 7 (Seven) Trading Days, the Designated Person must pre-clear the proposed transaction again as per the procedure prescribed hereinabove.
3. If the approval to the pre-clearance of trade is not granted by the Compliance Officer for valid reasons which are communicated to the applicant Designated Person then such Designated Person shall refrain from entering into the proposed transaction. Such Designated Person, after consultation with the Compliance Officer, can make fresh application for obtaining pre-clearance of trades after certain time gap when the Compliance Officer can consider giving approval to the pre-clearance.
4. All Designated Persons who buy or sell any number of shares of the Company shall not enter into an Opposite Transaction i.e. sell or buy respectively any number of shares during the next six



months following the prior transaction. However, in the case of subscription in the primary market (initial public offers), the Designated Persons shall hold their investments for a minimum period of 30 days. Further in the case of shares received under ESOP the Designated Persons shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

5. Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results.
6. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
  - a) immediate relatives
  - b) persons with whom such designated person(s) shares a material financial relationship
  - c) Phone, mobile and cell numbers which are used by them

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.

Explanation – The term “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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.]

7. In case the sale of Securities of the Company is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard. An application in this regard shall be made to the Compliance Officer in the format specified in “**Annexure V**” (“Application for Waiver of Minimum Holding Period”).

## **VI. TRADING PLAN**

- I. A Designated Person shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a “Trading Plan”) and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his behalf in accordance with such plan.
- II. The Compliance Officer shall review and approve the Trading Plan if it complies with the SEBI Regulations and shall disclose the Trading Plan to the stock exchanges.
- III. The Trading Plan once approved shall be irrevocable and the Designated Person shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Designated Person is in possession of UPSI and the said information has not become generally available at the time of the commencement of implementation. The

commencement of the Trading Plan shall be deferred until such UPI becomes generally available information. Further, the Designated Person shall also not be allowed to Trade in securities of the Company, if the date of Trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

IV. Such trading plan shall:–

- a) Not entail commencement of trading on behalf of the insider earlier than Six months from the public disclosure of the plan.
- b) Not entail trading for the period between the Twentieth Trading Day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results.
- c) Entail trading for a period of not less than Twelve months.
- d) Not entail overlap of any period for which another trading plan is already in existence.
- e) Set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected;
- f) Not entail trading in securities for market abuse.

## ***VII. DISCLOSURE AND REPORTING REQUIREMENTS***

All disclosure under shall be made in the format prescribed by the SEBI which are set out as **Annexure VI** to this Code.

### **A. Initial Disclosure:**

- i. Every Promoter, member of promoter group, Key Managerial Personnel, director of the Company and each of their Immediate Relatives shall disclose his holding of securities of the Company within thirty days of these Rules taking effect as per *Form A*.
- ii. 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 / her and Immediate Relatives' holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter, as per *Form B*.

### **B. Continual Disclosure:**

- i. Every Promoter, member of promoter group, designated person, director of the Company and

each of their Immediate Relatives shall disclose as per *Form C* to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of INR 10 (Ten) lakhs or such amount as may be notified by the SEBI.

- ii. The disclosure mentioned above shall be made within two trading days of:
  - I. The receipt of intimation of allotment of shares, or
  - II. The acquisition or sale of shares or voting rights, as the case may be.

#### **C. Disclosure to the Stock Exchange:**

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

#### **D. Disclosures by other Connected Persons:**

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per *Form Dat* such frequency as he may determine.

The aforesaid disclosures may be made in electronic form.

- 3) The Compliance Officer shall maintain records of all the above declarations for a minimum period of 5 (five) years.
- 4) The Compliance Officer shall place before the Managing Director/Chief Executive Officer or a committee specified by the Company, on a monthly basis all the details of the dealing in the Securities by Designated Persons and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.
- 5) In case it is observed by the Compliance Officer that there has been a violation of the aforesaid disclosure and reporting requirements, then he shall inform such violations to the Managing Director and SEBI within a period of 7 days from the date when it comes to the knowledge of the Compliance Officer. The Compliance Officer is also empowered to set up an independent investigation and/or appoint any outside entity to carry out the investigation in the aforesaid matter.

### ***VIII. PENALTY FOR NON-COMPLIANCE***

- 1) If any non-adherence is observed, the Compliance Officer may cause an internal enquiry to be conducted; and, if non-adherence is established, he shall refer the findings to the Board of Directors

of the Company (the term shall include any committee of the Board, appointed in this regards). The Board shall review each case of default and take disciplinary actions.

- 2) Any employee/officer/director/ who trades in Securities of the Company or communicates any information for trading in Securities of the Company in contravention of this Code may be penalized and appropriate action may be taken by the Company in the following manner:
  - a) Disciplinary action by the Company.
  - b) Wage freeze.
  - c) Suspension.
  - d) Ineligible for future participation in ESOP, etc.
  - e) Liable to pay the penalty as may be decided by the sub-committee.
  - f) Investigation by an independent agency in the trading of the designated persons.
  
- 3) Whilst deciding on the above, the criteria applied by the Board will be as follows:
  - a) The nature of information in possession of the Designated Person.
  - b) The movement of OTL Securities prices on the Stock Exchanges.
  - c) The amount of gain or advantage made as a result of the default.
  - d) The amount of loss caused as a result of the default.
  - e) The repetitive nature of the default.
  
- 4) Any penalty levied pursuant to Clause 2 above shall be payable within the time stipulated in the demand made by the Compliance Officer. In the event the concerned Designated Person fails to pay the penalty in accordance with the demand by the Compliance Officer, then penalty shall be recovered in the following manner:
  - a) From the salary of the Designated Person, where such Designated Person is an employee / executive / managing director as the case may be.
  - b) From the fees, where such Designated Person is a consultant on contract basis or other outsider.
  - c) From the commission / fees payable, where the Designated Person is a non-executive director.
  
- 5) For the purpose of this chapter any acts, deeds, matters or things amounting to contravention / violation of this Code and committed by or caused to be committed by Designated Person being Immediate relatives of the individual having direct relationship with the Company shall be treated as the contravention / violation by the +Individual having direct relationship with the Company and hence shall liable for disciplinary/penal action as contemplated in this chapter.
  
- 6) The penalties recovered pursuant to the above clauses shall be kept in a separate bank account. The amounts credited to such bank account shall be dealt with as may be directed by SEBI / Stock Exchange.

- 7) The Committee and/or the Compliance Officer may also report the non-compliance to SEBI. The action by the Company shall not preclude SEBI or any other Regulatory Authority from taking any action in case of violation of the SEBI Regulations. This could include civil as well as criminal prosecution against the Designated Person including the immediate relatives(s).

## **IX. CERTAIN DOS AND DON'TS IN CONNECTION WITH INSIDER TRADING**

<b>DOs</b>	<b>DON'Ts</b>
DO remember that it is a crime to trade securities based on "INSIDE INFORMATION" -information you learn about your company or a closely allied company which is not generally available to the public, and which could cause the security's price to change if it became known.	DON'T act on someone else's "hot tips" that might be based on inside information-it's just as illegal as trading on inside information you've learned about your own company
DO keep all insider information confidential.	DON'T ever trade securities on inside information
DO check the Company's trading policies. When in doubts, consult the Compliance Officer before trading in your company's securities.	DON'T provide inside information to anyone, not even to your family
DO keep up to date with how trading laws and the Company's trading policies apply to your position in the Company, especially if you're a Designated Person.	DON'T give out untrue or misleading information that others might think is an insider tip
Follow the Disclosure and Reporting Requirements under this Code.	DON'T assist Traders if they have inside information
	DON'T take positions in derivative transactions in the securities of OTL at any time.

## ANNEXURES

### ANNEXURE I : "FORM FOR PRE-CLEARANCE OF TRADES"

To,  
The Compliance Officer, Onward Technologies Limited.

# EMPLOYEE NO. \_\_\_\_\_

DESIGNATION \_\_\_\_\_

DEPARTMENT \_\_\_\_\_

Dear Sir,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / subscribe \_\_\_\_\_ equity shares of the Company as per details given below:

*[Note: Separate application to be submitted for each transaction]*

1	Name of Applicant	
2	Designation	
3	Number of securities held as on date	
4	Folio No./ DP ID/ Client ID No.	
5	The proposal is for (Tick whichever is applicable)	1 Purchase of securities
		2 Subscription to securities
		3 Sale of securities
6	Proposed date of trading in securities	
7	Estimated number of securities proposed to be purchased/subscribed/sold	
8	Current market price (as on date of application)	
9	Whether the proposed transaction will be through stock exchange or off-market trade	
10	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I hereby enclose herewith undertaking signed by me.

Thanking you,

(Signature)Name:

Date:

# Applicable only if the Designated Person is an employee

## **ANNEXURE II: "UNDERTAKING"**

### **(To be accompanied with every "Form for Pre-Clearance of Trades")**

To,

**The Compliance Officer, Onward Technologies Limited.**

Dear Sir,

I, \_\_\_\_\_ being a Director/ Officer/ Designated Employee of the \_\_\_\_\_ Company, am desirous of dealing in \_\_\_\_\_ shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I hereby confirm:

- a. that I did not have any access or received any information that can be construed as "Price Sensitive Information";
- b. that in case I have access to or receive any "Price Sensitive Information", I shall inform the Compliance Officer of the change in my position and that I shall completely refrain from dealing in the securities of the Company till such time such information becomes public;
- c. that I have not contravened the Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time;
- d. that if approval is granted, I shall execute the transaction(s) within 7 (seven) Trading Days of the approval, failing which, I shall again seek pre-clearance;
- e. that I shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six month following this transaction;
- f. that I undertake to submit the necessary report within 3 (three) Trading Days of the execution of the transaction(s) / 'Nil' report if the transaction is not undertaken, in the prescribed format.
- g. that I have made full and true disclosure in the application.

I am aware that I shall be liable to face penal consequences as set forth in the Code including disciplinary action

under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

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**Signature**

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**Name of the Designated Person**

**Place:Date:**

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**ANNEXURE III: "APPROVAL LETTER FOR PRE-CLEARANCE OF TRADES"**

**Approval No.:** \_\_\_\_\_

**Date:** \_\_\_\_\_

To,  
Mr/Ms: \_\_\_\_\_

Designation: \_\_\_\_\_

Department: \_\_\_\_\_

Dear Mr/Ms. \_\_\_\_\_

**Sub: Pre- clearance of transaction in OTL Securities.Ref : Your application dated \_\_, 20\_\_.**

With reference to your above application made under Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading in OTL Securities, seeking pre-clearance of your transaction in Securities of the Company, please be informed that you are hereby authorized / not authorized to undertake the proposed transaction(s) as detailed in your application.

This approval is being issued to you based on the various declarations, representations and undertakings given by you in your said application.

You may kindly note that pursuant to provisions of said Code of Conduct, the aforesaid transaction shall be executed within 7 (seven) Trading Days from the date of receipt of this approval letter, failing which, a fresh application seeking pre-clearance to the proposed transaction together with undertaking in the prescribed format shall be made.

Further, you shall not enter into an opposite transaction i.e. sell or buy / buy or sell any number of shares during the next six month following this transaction.

Further, you are required to file the details of the executed transaction(s) in the attached annexure within 3 (three) Trading Days from the date of the execution of the transaction/deal. In case the transaction is not executed, a 'NIL' report shall be submitted.

**Thanking you,**

*For* **Onward Technologies Limited**

**Compliance Officer**

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**ANNEXURE IV: "INTIMATION LETTER FOR EXECUTION OF TRADE"**

To,  
Compliance Officer  
Onward Technologies Limited

Dear Sir,

**Sub: Particulars of execution of Pre-approved Transaction(s);**

**Ref.: Your Approval Letter No. : \_\_\_\_\_ dated \_\_\_\_\_**

I hereby inform you that I:

- a. have not bought / sold / subscribed to any Securities of the Company; OR
- b. have bought / sold / subscribed to the Securities of the Company as mentioned below:

Name of Holder	Name of Joint Holder(s)	No. of securities dealt with	Mode Bought / Sold /Subscribed	Client ID No.	No. of securities heldpost execution of transaction

I declare that the above information is correct and that the provisions of the Company's Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading and/or applicable laws/regulations have not been contravened for effecting the above transaction(s).

**Signature:** \_\_\_\_\_

**Name of the Designated Person:** \_\_\_\_\_ **Department:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Place:** \_\_\_\_\_

**ANNEXURE V: "APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD"**

To,  
Compliance Officer  
Onward Technologies Limited

Dear Sir,

**Sub: Waiver of minimum holding period**

I, Mr/Mrs./Ms. \_\_\_\_\_, having DP ID/ Client ID No. \_\_\_\_\_, holding \_\_\_\_\_ equity shares in respect of which the minimum holding period of six months as prescribed under Company's Code of Conduct for Prevention of Insider Trading has not elapsed.

I desire to sell \_\_\_\_\_ equity shares out of the above shares on account of \_\_\_\_\_ (give reason which must be in the nature of personal emergency).

In view of the above, I request you to grant me waiver of the minimum holding period of six months as required under said Code.

I declare that the above information is correct and that the provisions of the Company's Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading and/or applicable laws/regulations have not been contravened for effecting the above transaction(s).

**Thanking you, Yours faithfully,**

Signature: \_\_\_\_\_

Name of the Designated Person: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

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*(To be filled-up by the Compliance Officer)*

**ORDER**

Waiver Granted/ Not Granted	
Reason (if any)	
Date	

*For Onward Technologies Limited Compliance Officer*

**ANNEXURE VI: "Forms"**

<b>Sr. No.</b>	<b>Form</b>	<b>Hyper-Link</b>
1	<b>Form A:</b> <i>Initial disclosure to the company</i>	<a href="#">Insider Trading Code Forms</a>
2	<b>Form B:</b> <i>Disclosure on becoming a director/KMP/ Promoter</i>	
3	<b>Form C:</b> <i>Continual disclosure</i>	
4	<b>Form D:</b> <i>Transactions by Other connected persons as identified by the company</i>	

*\*please open the hyperlink in red for format.*