

Code of internal procedures and code of conduct
for prevention of insider trading and policy for
legitimate purpose

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INTRODUCTION:

a. 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 unique to listed companies is to protect 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 Towards this end, the company strives to preserve the confidentiality of Unpublished Price Sensitive Information (*as defined below and hereinafter referred to as “**UPSI**”*) and prevent misuse of the same.

Taking unfair advantage of UPSI is considered a breach of the individual’s fiduciary duty. It often happens that fiduciaries (*as defined below*), who 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 company is a public company whose shares are listed on the National Stock Exchange of India and BSE Limited and is subject to the rules and regulations issued by the Securities and Exchange Board of India (“**SEBI**”). SEBI has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI Regulations**”) so as to curb the practice of insider trading (*as defined below*) in India. 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 (*as defined below*) and prescribing various prohibitory actions and disclosure requirements to prevent and prohibit insider trading.

b. Objective:

The board of directors (“**Board**”) of the company has adopted this code (*as defined below*) to regulate, monitor and report trading by all insiders (*defined below*) including the designated persons (*defined below*) and immediate relatives (*defined below*). The objective of this code is to provide a level playing field for the company’s officers (*as defined below*) 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 (*as defined below*), 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.

This code is made effective to ensure that all directors, managerial persons, key managerial persons (“KMPs”), promoter(s) (*as defined below*) and persons forming part of the promoter group (*as defined below*), other designated employees and statutory auditors and other connected person(s) (*as defined below*) of the company who are in possession of UPSI adhere to the SEBI regulations.

c. 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 has been adopted by the board which shall come into force with immediate effect. Further, the board may also decide to amend this code to modify standards and requirements mentioned herein. Such modifications to the code shall be applicable prospectively from the date of the modification of the code.

DEFINITIONS:

Words and expressions used and not defined in the code but defined in the Securities and Exchange Board of India Act, 1992 (“Act”), the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder and Articles of Association of the Company shall have the same meanings respectively assigned to them in those legislations/ by laws.

- 1) “**Audit Committee**” shall mean the committee of the board formed as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015.
- 2) “**Code**” or “**Code of Conduct**” shall mean this code as adopted by the board 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.
- 3) “**Compliance Officer**” means any senior officer, designated so and reporting to the board or head of the company in case the 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 UPSI, monitoring of trades and the implementation of the codes specified in SEBI regulations under the overall supervision of the board of the company or the head of the company, as the case may be.

- 4) **“Connected Person(s)”** means: -
- (a) any person who is or has during the six months prior to the concerned act been associated with the 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 UPSI or is reasonably expected to allow such access.
 - (b) 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,
 - (i) an immediate relative (*as defined below*) of connected persons specified in paragraph (a); or
 - (ii) a holding company or associate company or subsidiary company; or
 - (iii) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (iv) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (v) an official of a stock exchange or of clearing house or corporation; or
 - (vi) 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
 - (vii) 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
 - (viii) an official or an employee of a self-regulatory organization recognised or authorised by the board; or
 - (ix) a banker of the company; or
 - (x) 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.
 - (c) The scope of the term connected person shall include any person, who has a connection with the company and its officers, that is expected to put them in possession of UPSI. Therefore, even if a person does not fall within any one of the categories mentioned above, the person shall be considered to be a connected person if the person had access to or could access UPSI.
- 5) **“Designated Person(s)”** shall mean:
- (a) Promoters (*as defined below*) and members of the promoter group (*as defined below*) of the company;
 - (b) Employees of the company, intermediary or fiduciary (*as defined below*) designated on the basis

- of their functional role or access to UPSI in the organization by their board or such analogous body;
- (c) Employees of material subsidiaries of the company designated on the basis of their functional role or access to UPSI in the organization by their board of directors;
 - (d) All promoters and members of the promoter group who are individuals or investment companies for intermediaries or fiduciaries;
 - (e) Chief executive officer (“**CEO**”) and employees upto two levels below the CEO of the company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to UPSI;
 - (f) Any support staff of the company, intermediary or fiduciary such as IT staff or secretarial staff who have access to UPSI.

The compliance officer has the power to amend the meaning of the term designated person from time to time in order to make the list more inclusive.

- 6) “**Fiduciaries**” means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the company.
- 7) “**Financially Literate**” means 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.
- 8) “**Generally Available Information**” means information that is accessible to the public on a non-discriminatory basis, and it shall not include unverified event or information reported in the electronic or print media. Information published on websites of stock exchanges shall be considered to be generally available.
- 9) “**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.
- 10) “**Insider**” means any person who is:
 - (i) Connected person or
 - (ii) in possession of or having access to UPSI and/or
 - (iii) such other person as may be prescribed under the SEBI regulations.
- 11) “**Insider Trading**” means
 - (i) the trading in the company’s equity shares or other securities by individuals, whether directly or through other persons, with access to UPSI; and
 - (ii) it includes dissemination of UPSI by communicating such information or counselling any other person.

- 12) **“Legitimate Purpose”** shall mean sharing of UPSI in the ordinary course of business or on a Need to Know Basis (*as defined below*). 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 Regulation 3(2A) and Regulation 3(2B) of SEBI regulations.
- 13) **“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 such designated person’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.
- 14) **“Need to Know Basis”** means the disclosure of confidential Information only to those within the company who need the information to discharge their duties.
- 15) **“Officer”** means any persons as defined in section 2(59) of the Companies Act, 2013, including the auditor of the company.
- 16) **“Prohibited Period”** shall mean period during which the trading window shall remain closed in accordance with the provisions of this code or as may be decided by the compliance officer.
- 17) **“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;
- 18) **“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.
- 19) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof.
- 20) **“Trading”** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in Securities, and “trade” shall be construed accordingly. It is clarified that dealing in securities shall include pledging of such securities, etc.

- 21) **“Trading day(s)”** means day(s) on which recognized stock exchange(s) are open for trading.
- 22) **“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.
- 23) **“Unpublished Price Sensitive Information (“UPS I”)** means any information, relating to the company or its securities, directly or indirectly, that is not generally available information, which upon becoming generally available information, 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; or
 - (vi) any other information that is not generally available and is likely to materially affect the price of the securities of the company upon coming into the public domain.

APPOINTMENT AND ROLE OF COMPLIANCE OFFICER:

a) Appointment of compliance officer:

The Board 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.

The managing director (“**M.D.**”)/CEO 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.

b) 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 under the overall supervision of the Board.

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 and SEBI regulations.
3. The compliance officer shall assist all the designated persons in addressing any clarifications regarding the SEBI regulations and this code.
4. The compliance officer may on his own motion, or in consultation with the M.D., 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 prohibited 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 and audit committee on quarterly basis showing the status of compliance of SEBI regulations and this code by the directors, officers and designated persons, requests received for pre-clearance or 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.
10. The compliance officer shall place before the M.D./CEO 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.
11. In case it is observed by the compliance officer that there has been a violation of the aforesaid disclosure and reporting requirements, then he/she 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.

12. 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. He shall suggest modifications in the code to the Board from time to time so as to improve the scope, preserve the confidential information and prevent insider trading.
13. The compliance officer or any person designated by him/her in this regard shall sensitize employees when they are being exposed to UPSI. This process shall include making the employees aware of their roles and responsibilities attached to the receipt of such UPSI and the liability for the misuse of such UPSI.

COMMUNICATION OR PROCUREMENT OF UPSI AND TRADING IN POSSESSION OF UPSI:

1. No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company, to any person including other insider except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations i.e. the communication of UPSI shall only be on a Need to Know Basis.
2. Notwithstanding anything contained in the above sub paragraph, UPSI may be communicated, provided, allowed access to, or procured in connection with a transaction that would: –
 - (a) Entail an obligation to make an ‘open offer’ under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (“**Takeover Regulations**”) where the Board is of informed opinion that the sharing of such UPSI is in the best interests of the company;
 - (b) Not attract the obligation to make an ‘open offer’ under the takeover regulations but where the Board is of informed opinion that the sharing of such UPSI is in the best interests of the company and the information that constitute UPSI is disseminated becomes generally available information 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.
3. For purposes of sub-paragraph 2 above, 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 the above clause, and shall not otherwise trade in securities of the company when in possession of UPSI.
4. The Board 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 paragraph IV sub paragraph (2) and (3) of this code along with the permanent account number (“**PAN**”) or any other identifier authorized by law where PAN 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. Further, such a digital database is required to be maintained for a period of not less than eight years after the completion of the relevant trades and in the event of receipt of any information regarding an investigation or enforcement proceedings, the relevant information is to be preserved in the database till the completion of such proceedings.

A. Trading when in possession of UPSI

- i. No insider shall trade in securities when in possession of UPSI.
- ii. When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession;
- iii. Provided that the insider may prove his innocence by demonstrating the circumstances including the following:
 - a. The trade is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of regulation 3 of the SEBI regulation and both parties had made a conscious and informed trade decision. Provided that such UPSI 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. The 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;
 - b. The trade was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of regulation 3 of the SEBI regulation and both parties had made a conscious and informed trade decision. Provided that such UPSI was not obtained by either person under sub-regulation (3) of regulation 3 of SEBI regulations.
 - c. The trade in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide trade.
 - d. The trade 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.
 - e. in the case of non-individual insiders:
 - the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and
 - appropriate and adequate arrangements were in place to ensure that SEBI regulations are not violated and no UPSI 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

- f. The trades were pursuant to a trading plan (*as defined below*) set up in accordance with regulation 5 of the SEBI regulations.

B. Restrictions on communication of UPSI

- (a) As stated in the introduction paragraph, UPSI means any information which relates directly or indirectly to the company and is not known or published by the company as general information, but which if published or known is likely to materially affect the price of securities of the company.
- (b) An insider shall maintain confidentiality of all UPSI 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.
- (c) All designated persons shall adhere to the following:
- (i) When the trading window is closed, the designated persons shall not trade in the company's securities in such period.
 - (ii) The designated persons shall not acquire/purchase/sell the company's securities either on behalf of themselves or others, when in possession of UPSI.
 - (iii) 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.
 - (iv) 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.
 - (v) Notwithstanding the restrictions on the communication of UPSI in the above sub paragraph, UPSI may be shared within a group of persons if such persons have been identified and secluded within a 'Chinese Wall' or placed under an information barrier from the rest of the company for a particular purpose or for a specified period of time in furtherance of (a) legitimate purpose, or (b) performance of duties, or (c) discharge of legal obligations. Such a group shall be subjected to additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the 'Chinese Wall' and the execution of an undertaking by the persons to abstain and/or forego trading during such seclusion or till the UPSI becomes generally available information. Further details of the norms of the Chinese Wall may be determined by the company in consultation with the Board and the compliance officer from time to time. Additionally, for reasons of (a) legitimate purpose, (b) performance of

duties, or (c) discharge of legal obligations,, if there is a need to communicate the UPSI to other employees of the company, who are not a part of the group that has been identified and secluded through the 'Chinese Wall', then permission may be obtained from the compliance officer to 'cross the wall'. The requirement for communication of such information will have to be communicated to the compliance officer and only if the compliance officer is satisfied shall the communication of UPSI be permitted.

- (vi) If in performance of duties, it is necessary for the designated person to disclose any UPSI/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.
- (vii) 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**.
- (viii) Designated persons shall be required to disclose names and PAN 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.

- (d) All the files / papers containing confidential information/UPSI 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.
- (e) 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.
- (f) Designated persons and immediate relatives of designated persons in the company shall be governed by this code of conduct.

TRADING RESTRICTIONS AND PRE-CLEARANCE OF TRADES:

A. Trading restriction

The period prior to declaration of UPSI is particularly sensitive for trades 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 of the company 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 members of the 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 trades in the securities of the company can be effected by designated persons or their immediate relatives. As a corollary, designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
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 UPSI.
4. The Trading window shall remain closed after the end of every quarter till 48 hours after the declaration of results. In any other case the trading window shall remain closed during the period 7 (seven) days prior to the date of the Board's 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 UPSI in question becoming generally available information 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 information.
6. The prohibited period including the dates of the Board's 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;
8. 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.
9. In the case of employee stock option plan ("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 the company - 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 the company - 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 persons, 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.

D. 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 persons, 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 a contra trade i.e. sell or buy respectively any number of shares during the next six months following the prior trade. 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 PAN 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; and
 - 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.

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*).

TRADING PLAN:

1. An insider shall be entitled to formulate a plan to execute their trades in the securities of the company that complies with the SEBI regulations ("**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 trading plan.

2. Such trading plan shall: –

- a) Not entail commencement of trading on behalf of the insider earlier than one hundred and twenty days from the public disclosure of the trading plan.
- b) Not entail overlap of any period for which another trading plan is already in existence.
- c) 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 of time period not exceeding five consecutive trading days;
 - (iv) Price limit, i.e. (a) an upper price limit for a buy trade which shall be in between the closing price on the day before the submission of the trading plan and upto twenty percent higher than such closing price and (b) a lower price limit for a sell trade which shall be in between the closing price on the day before the submission of the trading plan and upto twenty percent lower than such closing price.

The parameters mentioned in points (i) to (iii) shall be mandatory whereas the parameter mentioned in point (iv) shall be optional. In case the price limit is mentioned in the trading plan as per parameter (iv), it shall be (a) rounded off to the nearest numeral, and (b) the insider shall be, subject to the approval of the compliance officer, allowed to make adjustments in the number of securities and the price limit in the case of corporate actions related to bonus issue or stock splits occurring.]

- d) Not entail trading in securities for market abuse.
- 3.** The compliance officer shall review the trading plan to assess whether it is in compliance with SEBI regulations. Further, the compliance officer is entitled to seek express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. Trades executed as per the approved trading plan will not require any form of pre-clearance and they need not necessarily be traded during the trading window.
- 4.** The trading plan once approved shall be irrevocable and the designated person 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]. Provided that, the implementation of the trading plan shall not be commenced, if at the time of formulation of the trading plan, the designated person is in possession of UPSI and the said information is not generally available information at the time of the commencement of implementation. [The commencement of the trading plan shall be deferred until such UPSI becomes generally available information. Provided further that if the insider has set a price limit for a trade , the insider shall execute the trade only if the price is within the limit that has been set. If the price is beyond the price limit that has been set, the

- trade shall not be executed.]
5. [In case of non-implementation (full/partial) of trading plan due to (a) reasons mentioned in sub paragraph 4 or (b) lack of liquidity in the scrip, the following procedure shall be adopted:
- (i) The insider shall intimate such a non-implementation (full/partial) to the compliance officer within two trading days of the end of the tenure of the trading plan and provide reasons along with supporting documents for the same;
 - (ii) The compliance officer shall communicate the information to the audit committee in the immediate next meeting along with the recommendation to accept or reject the submissions of the Insider,
 - (iii) The audit committee shall decide whether such non implementation (full/partial) was bona fide or not,
 - (iv) The decision of the audit committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed,]
 - (v) In case the audit committee does not accept the submissions made by the insider then the compliance officer shall take action as per powers delegated to him/her through this code.
6. The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved trading plan to the stock exchanges on which the securities of the company are listed

DISCLOSURE AND REPORTING REQUIREMENTS:

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

A. Initial Disclosure:

Every person on appointment as a KMP or a director of the company or upon becoming a promoter or member of the promoter group shall disclose their own and their 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* (provided in the hyperlink available at **Annexure VI**).

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* (provided in the hyperlink available at **Annexure VI**) to the company the number of such securities acquired or disposed of within two trading days of such trade if the value of the securities traded, whether in one trade or a series of trades over any calendar quarter, aggregates to a traded

value in excess of INR 10,00,000 (Rupees Ten Lakhs) or any such amount as may be notified by the SEBI.

- ii. The company is required to disclose the particulars of the aforementioned disclosure to the stock exchanges on which the securities of the company are listed within two trading days of:
 - (a) receipt of intimation of such a disclosure, or
 - (b) becoming aware of such information that is required to be disclosed.

The intimation to be made in case of incremental transactions after the disclosure made as per this sub paragraph shall be notified to the stock exchange after the incremental transactions exceed the threshold specified in sub paragraph (i) of this paragraph.

C. Disclosures by other Connected Persons:

The compliance officer may require any other connected persons or class of connected persons to disclose to them the holdings and trading in securities of the company as per *Form D* at such frequency as he/she may determine. The aforesaid disclosures may be made in electronic form.

CONSEQUENCES FOR NON-COMPLIANCE OF THE CODE:

- 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 (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 penalised 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 ESOPs, etc;
 - e) Liable to pay the penalty or recovery of the amount as may be decided by the sub-committee; or
 - 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's 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; and

- e) The repetitive nature of the default.
- 4) Any penalty levied pursuant to sub-paragraph 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 / officer / M.D. as the case may be;
 - b) From the fees, where such designated person is a consultant on contract basis or other outsider; or
 - c) From the commission / fees payable, where the designated person is a non-executive director.
- 5) For the purpose of this paragraph VIII (*Penalty for non compliance of the code*) any acts, deeds, matters or things amounting to contravention/violation of this code and committed by or caused to be committed by designated person or immediate relatives of the designated person having direct relationship with the company shall be treated as the contravention / violation by the designated person having direct relationship with the company and hence shall liable for disciplinary/penal action as contemplated in this paragraph VIII (*Penalty for non compliance of the code*).
- 6) The penalties recovered pursuant to the above clauses shall be kept in a separate bank account. The amounts credited to such a bank account shall be periodically credited to the Investor Protection and Education Fund administered by SEBI.
- 7) The committee and/or the compliance officer shall report the non compliance to the stock exchanges where the securities of the company are listed and they 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 relative(s).

CERTAIN DO'S AND DON'TS IN CONNECTION WITH INSIDER TRADING:

DOs	DONTs
DO remember that it is a crime to trade securities based on 'UPSI'- information you learn about the company or a closely allied company which is not generally available information 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 UPSI - it's just as illegal as trading on UPSI you've learned about your own company.
DO keep all UPSI confidential.	DON'T ever trade securities on UPSI.
DO check the company's trading policies. When in doubt, consult the compliance officer before trading in the company's securities.	DON'T provide UPSI to anyone, not even to your family.
DO keep up to date with how trading laws and the company's code 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 UPSI
	DON'T take positions in derivative trades in the securities of OTL at any time.

ANNEXURES

Annexure i: "Form for Pre-Clearance of Trades"

To,
The Compliance Officer, Onward Technologies Limited.

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: A separate application is required 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 <i>(Tick whichever is applicable)</i>	1. Purchase of securities
		2. Subscription to securities
		3. Sale of securities
		4. Pledge
6.	Proposed date of trading in securities	
7.	Estimated number of securities proposed to be purchased/subscribed/sold/pledged	
8.	Current market price (as on the date of the application)	
9.	Whether the proposed transaction will be through the 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 the undertaking signed by me.

Thanking you,
(Signature)

Name:

Employee Number:

Designation:

Department:

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.

Signature

Name of the Designated Person:

Place:

Date:

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

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 though which Securities are Bought /Sold /Subscribed /Pledged	Client ID No.	Price	No. of securities held post 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 Wavier of Minimum Holding Period"

To,
Compliance Officer
Onward Technologies Limited

Dear Sir,

Sub: Waiver of minimum holding period

I, Mr/Mrs./Ms (*name of the person*), having DP ID/ Client ID No. (*details of the person seeking waiver*) holding (*number of equity shares held*) 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 (*give the number of equity shares sought to be sold*) 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 a 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:** _____

(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”

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

**please open the hyperlink in blue for format.*
