

OSWAL PUMPS LIMITED

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

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Amendment History

S. No.	Amendment Date	Policy Version	Document Owner	Nature of Change

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

1.0 Introduction

- 1.1 Many employees choose to invest in the shares of Oswal Pumps Limited (“**OSWAL**” or “**the Company**”). What distinguishes OSWAL employees from an ordinary investor from public domain, is the access to stock sensitive non-public information like internal financial forecasts, acquisitions, business plans, dividend declaration *et al.* This knowledge can create vested interest and help an employee make trading decisions ensuring profits. Such action is violative of the spirit of ethical share trading.
- 1.2 When material information is not publicly known, employees cannot under any circumstances use it or pass it along to buy/ sell Oswal’s shares. It is not only against the Company policy, it is also illegal. This prohibition extends to any material inside information and to all employees, even those who may not be directly involved in the transaction. Regardless of how we hear it, material inside information cannot be used for personal benefit.
- 1.3 In addition to the significant penalties imposed by the regulators on the errant employees, such unethical acts seriously compromise the reputation of the Company as a law-abiding Corporate. Consequently, the Company could be forced to spend crucial time, money and human resource co-operating with the authorities.

2.0 The Code

- 2.1 Keeping in view Oswal’s commitment towards maintaining its reputation as a Company with the highest standards of business conduct, and in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Insider Trading Regulations**”) the Company has formulated the “**OSWAL - Code of Conduct to Regulate, Monitor and Report Trading by Insiders**” (“**the Code**”).
- 2.2 No Designated Person of the Company (as defined hereunder) and their Immediate Relatives shall contravene the provisions of the Insider Trading Regulations and of the Code.

3.0 Applicability

- 3.1 The Code shall be applicable to the Designated Persons, Connected Persons of the Company and their Immediate Relatives.
- 3.2 In case of any inconsistency between the Code and the Insider Trading Regulations, the provisions of the Insider Trading Regulations shall prevail and for that purpose shall be deemed to be incorporated in this Code.

4.0 Effective

- 4.1 The Code shall remain in effect till such time as the Board of Directors of the Company may decide.

The Policy shall be applicable to the Company with effect from the listing of the equity shares of the Company on one or more recognized stock exchanges.

5.0 Definitions:

5.1 **“Act”** means the Securities and Exchange Board of India Act, 1992 (including any amendment or re-enactment thereof);

5.2 **“Connected Person”** means:

- (i) a Director, officer or employee of the Company who directly or indirectly, has access to Unpublished Price Sensitive Information or is reasonably expected to allow such access;
- (ii) a former employee of the Company, its officer or Director (satisfying the requirements in sub-clause (i) above, while in employment) till the expiry of a period of 6 months from the date of termination or expiry of his employment or term of Directorship;
- (iii) 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 the board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board;
 - (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.
- (iv) any other person designated as a Connected Person by the Compliance Officer.

5.3 **“Compliance Officer”** means the Company Secretary of the Company and in the absence of Company Secretary, a person designated by the Board of Directors as the Compliance Officer.

5.4 **“Designated Person”** means: (a) Promoters of the Company; (b) Members of the Promoter Group of the Company; (c) Directors of the Company and its subsidiaries; (d) all employees of the Company; (e) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the material subsidiaries of the Company; (f) all employees in Finance and Secretarial functions of the Company and its subsidiaries located at the corporate office; and (g) such other employees and Connected Persons as may be determined by the Committee in consultation with the Compliance Officer from time to time designated on the basis of their functional role.

5.5 **“Director”** means a person appointed on the Board of Directors of the Company.

- 5.6 **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.
- 5.7 **“Immediate Relative”** means the spouse, parents, siblings and child of the Designated Person or his/her spouse who is/are (i) dependent financially on the Designated Person; or (ii) consult the Designated Person in relation to Trading in Securities.
- 5.8 **“Insider Trading”** means an act of subscribing or buying or selling or agreeing to subscribe, buy, sell or deal, whether as a principal or as an agent, securities of the Company by a Director or Connected Person when in possession of any unpublished price sensitive information.
- 5.9 **“Prohibition of Insider Trading Committee”** means the Audit Committee of the Board of Directors unless a Committee of Directors has been specifically constituted by the Board of Directors for the purposes of the Code.
- 5.10 **“SEBI”** means Securities and Exchange Board of India.
- 5.11 **“Securities”** means and include shares, scrips stocks, bonds, depository receipts, debentures, debenture stock or derivatives on shares of the Company.
- 5.12 **“Stock Exchange”** means the recognized stock exchanges on which the securities of the Company are listed.
- 5.13 **“The Code”** means the “OSWAL- Code of Conduct to Regulate, Monitor and Report Trading by Insiders”.
- 5.14 **“Trading Window”** means the time period for Trading in securities of the Company.
- 5.15 **“Trade”** means trade in securities of the Company, which includes sale, purchase or subscription, dealing, or agreeing to subscribe, buy, sell, deal whether as a principal or as an agent and **Trading** will be construed accordingly.
- 5.16 **“Unpublished Price Sensitive Information”** means any information, which relates, directly or indirectly, to the Company or its securities that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company; and which has not been published by the Company or its agents and is not specific in nature.

Explanation:

- (a) The following may be deemed to be *price sensitive information*:
- (i) financial results;
 - (ii) dividends;
 - (iii) changes in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel;
 - (vi) and
 - (vii) Any other activity, which is identified and communicated by the Compliance Officer or any other person authorized by the Prohibition of Insider Trading Committee.

(b) Speculative reports in print or electronic media shall not be considered as published information.

5.17 If any definition under this Code is unclear, or contrary or distinct from the definitions provided under the Insider Trading Regulations, then the definitions as provided under the Insider Trading Regulations shall be taken as final.

6.0 Preservation of Price Sensitive Information

6.1 Directors and Employees of the Company shall maintain confidentiality of all price sensitive information.

6.2 Files containing confidential information shall be kept secure. Computer files containing confidential information shall have adequate security of password.

6.3 The Functional Heads and the Business Unit Heads shall ensure that price sensitive information is disclosed only to those within the Company who need the information to discharge their duty.

7.0 Trading Window

7.1 The Designated Persons and their Immediate Relatives shall conduct all their dealings in the securities of the Company only in the valid Trading Window. They shall not trade in securities of the Company when the Trading Window is closed.

7.2 The Trading Window shall be closed (a) from the end of every quarter till 48 hours after the declaration of financial results; and (b) 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, including at the time of certain events like intended declaration of dividend and issue of securities.

The Compliance Officer or any other person authorized by the Committee shall intimate the closing of Trading Window to Directors and Designated Persons.

7.3 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. The re-opening of the Trading Window shall be notified to the Designated Persons, by the Compliance Officer or any other person authorized by the Committee.

7.4 The trading window restrictions mentioned in this Clause 7 shall not apply in respect of:

- a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation of regulation 4 of the Insider Trading Regulations and in respect of a pledge of shares for a bona-fide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board; and
- b) transactions which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are

undertaken through such other mechanism as may be specified by the Board from time to time.

8.0 Trading Plan

A Designated Person or immediate relative may prepare a trading plan for dealing in Securities and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out on his behalf in accordance with such plan ("**Trading Plan**").

8.1 Trading Plan shall entail the following:

- (a) Not provide for commencement of Trading on behalf of the Director or Designated Person for a period of one hundred and twenty calendar days from the public disclosure of the Trading Plan;
- (b) A Designated Person or immediate relative may have only one Trading Plan in existence at any point;
- (c) Trading Plan shall set out following parameters for each trade to be executed:
 - (i) either the value of trade to be effected or the number of securities to be traded;
 - (ii) nature of the trade;
 - (iii) either specific date or time period not exceeding five consecutive trading days;
 - (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - ✓ for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
 - ✓ for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional. The price limit in sub-clause (iv) shall be rounded off to the nearest numeral. Insider may make adjustments, with the approval of the Compliance Officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.

- (d) Not entail Trading in Securities for market abuse.

8.2 The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Insider Trading Regulations 2015.

8.3 The Trading Plan once approved shall be irrevocable and the Designated Person or immediate relative shall mandatorily have to implement the plan, without being entitled to either execute any Trade in the Securities outside the scope of the Trading Plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

However, the implementation of the Trading Plan shall not be commenced, if at

the time of formulation of the plan, the Director or Designated Person is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation.

- 8.4 If the Insider has set a price limit for a tradex, the Insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.
- 8.5 In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in sub-paragraph 8.3 of this Policy or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:
- (i) The Insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
 - (ii) Upon receipt of information from the Insider, the Compliance Officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.
 - (iii) 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.
 - (iv) In case the Audit Committee does not accept the submissions made by the Insider, then the Compliance Officer shall take action as per this Policy.
- 8.6 The Compliance Officer shall approve or reject the Trading Plan within two trading days of receipt of the Trading Plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

9.0 Pre-clearance of Trades

- 9.1 All Trades above market value of Rs.10 Lakh of Securities of the Company by Designated Persons and their Immediate Relatives shall require pre-clearance from the Compliance Officer or any other person authorized by the Committee. No Designated Person or their Immediate Relative shall apply for pre-clearance of any proposed Trade if such person is in possession of unpublished price sensitive information even if the Trading Window is not closed.
- 9.2 The Designated Persons or their Immediate Relative shall make an application for pre-clearance of Trades in the format specified in **Annexure - I**.
- 9.3 The Compliance Officer or any other person authorized by the Committee shall be obliged to intimate approval or otherwise of pre-clearance within 2 working days of receipt of the application.
- 9.4 The Designated Persons or their Immediate Relatives shall execute their order in respect of securities of the Company within one week of the approval of pre-clearance is given. In case the order is not executed within one week after the approval, they must re-approach the Compliance Officer or any other person authorized by the Committee for pre-clearance of Trades.
- 9.5 All Designated Persons or their Immediate Relative who buy or sell any number of Securities of the Company shall not enter into an opposite transaction i.e. sell or

buy any number of Securities during the next six months following the prior transaction except trades pursuant to exercise of stock options. All Designated Persons shall also not take positions in derivative transactions in the Securities of the Company at any time.

- (a) The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
- (b) If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

9.6 The Compliance Officer shall place before the Committee, on a quarterly basis all the details of the trades by the Designated Persons and their Immediate Relatives, along with the pre-clearance documents, if any.

10.0 Disclosure Practices for Prevention of Insider Trading

10.1 Every person on appointment as a Director or Key Managerial Personnel or upon becoming Promoter or member of the Promoter Group of the Company shall disclose his/her holding of Securities of the Company as on the date of appointment or becoming Promoter or member of the Promoter Group within seven days of such appointment or becoming Promoter.

10.2 Every Promoter, member of the Promoter Group, Designated Person and Director of the Company shall disclose to the Company the number of such Securities acquired or disposed off by their immediate relatives, 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 Ten lakh rupees.

10.3 The Company shall disclose to the Stock Exchanges where its securities are listed, the information received in clauses 10.2 above, within 2 Trading days of the receipt thereof.

10.4 The Designated Persons shall disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis on or before April 30 every year and as and when the information changes:

- a) Immediate Relatives;
- b) Persons with whom such Designated Person 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 the Designated Person has graduated and names of their past employers shall also be disclosed on a one-time basis.

Explanation – The term “material financial relationship” means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.

11.0 Disclosure of Price Sensitive Information/ Code of Fair Disclosure

- 11.1 All Price Sensitive Information shall be made public by making simultaneous disclosures (a) to all stock exchanges where the securities of the Company are listed; (b) in one of the national dailies; and (c) in the Company's website.
- 11.2 The Compliance Officer or any person authorized by the Committee shall oversee and co-ordinate disclosure of Price Sensitive Information to stock exchanges, analysts, shareholders and media.
- 11.3 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the 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.
- 11.4 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.5 The term "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business 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 these regulations.
- 11.6 Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- 11.7 Upon discretion of the Board of Directors of the Company, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction, which in view of the Board is in best interests of the Company, subject to signing of confidentiality agreements and in compliance with SEBI regulations.
- 11.8 In case any information is accidentally disseminated without the prior approval, the person responsible for such dissemination shall immediately inform the same to Compliance Officer or any person authorized by the Prohibition of Insider Trading Committee, who shall take appropriate action, if necessary.
- 11.9 Compliance Officer or any person authorized by the Prohibition of Insider Trading Committee shall ensure compliance of the provisions of Listing Agreements with Stock Exchanges in respect of disclosures of shareholding/ ownership and changes therein.
- 11.10 All queries or requests for verification of rumors by Stock Exchanges shall be responded by Compliance Officer or any person authorized by the Prohibition of Insider Trading Committee.
- 11.11 No Price Sensitive Information should be made available on selective basis to analysts, research persons, or large investors like institutions.

- 11.12 Meetings with analysts, brokers, institutional investors, should have the presence of at least two company representatives designated by the Prohibition of Insider Trading Committee.
- 11.13 Any unanticipated question at meetings with analysts, brokers, or institutional investors et al should be taken on notice and a considered response given later.
- 11.14 Transcripts or records of proceedings of meetings with analysts and other investor relations conferences should be made and published on the official website to ensure official confirmation and documentation of disclosures made.

12.0 Penalties / Protection against retaliation and victimization

- 12.1 For contravention of this Code - Ex: (1) Freezing of Salary like no increments, no salary for x months, (2) Suspension, (3) Ineligibility for future ESOPs et al; and these should vary with the gravity of contravention.
- 12.2 Any violation of the Insider Trading Regulations observed / noticed by the Company shall be informed to SEBI / Stock Exchanges by the Compliance Officer or any person authorized by the Prohibition of Insider Trading Committee in such form and such manner as may be specified from time to time.
- 12.3 The Company shall ensure suitable protection against any discharge, termination, demotion, suspension, threats, harassment or discrimination, directly or indirectly, against any employee who submits information to SEBI on any alleged violations of insider trading laws in accordance with the Informant mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated 17 September 2019.

(Application to the Compliance Officer about Pre-Clearance of trades)

[Pursuant to Clause 9.1 of "OSWAL- Code of Conduct to Regulate, Monitor and Report Trading by Insiders"]

The Compliance Officer,
Oswal Pumps Limited

1	Name and address of the Promoter / Director/ Designated Employee/ Shareholder	
2	Is the pre-clearance sought for purchase / sale of shares of Oswal Pumps Limited	
3	Is the trade is proposed to be effected in the name of any Relative (please mention the name and relationship)	
4	No. of shares proposed to be bought/ sold	
5	No. of shares held as on date - In physical form - In demat form	
6	Total no. of shares after the proposed acquisition/ sale	
7	Is the trade proposed to be done through the stock market or through an off-market trade	
8	Is the trade proposed to be done in physical form or in demat form	
9	If the trade is proposed to be done in demat form: Name of the DP and DP ID: Client ID	

I hereby confirm and declare that:

- (a) I, do not have any access to or, have not received, upto the date of this application, any unpublished price sensitive information.
- (b) In case I get access to or receive any unpublished price sensitive information after the date of this application but before the execution of the transaction, I shall inform the Compliance Officer of the change in position and I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) I have made a full and true disclosure while applying for clearance to trade.
- (d) I undertake to execute the trade within one week from the date of approval failing which I agree to obtain fresh approval

- (e) I agree to hold any securities purchased after pre-clearance for a minimum period of six months.
- (f) I have not contravened this Policy.

Date:

.....
Signature of Designated Person

For use of Compliance Officer:

Application Received Date	Approval No.	Approval Date	Reason for not approving	Pre-clearance Valid upto Date

For **Oswal Pumps Limited**

Compliance Officer