**FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED**

# CODE FOR PREVENTION OF INSIDER TRADING & CODE OF CORPORATE DISCLOSURE PRACTICES

## INTRODUCTION

The Securities and Exchange Board of India (SEBI), in its endeavour to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015.

It is mandatory for every listed company, market intermediaries and any other person who is required to handle Unpublished Price Sensitive Information (UPSI) in the course of business operations to formulate a Code of Conduct for Prevention of Insider Trading to regulate, monitor and report trading by its Directors, Employees who are Designated Persons and Immediate Relative of Designated Persons and other Connected Persons. In addition, every company whose Securities are listed on a stock exchange, is also required to formulate a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (Code of Corporate Disclosure Practices).

This Code for Prevention of Insider Trading & Code of Corporate Disclosure Practices (Code) is based on the principle that Directors, Officers, and Employees of Company owe a fiduciary duty to the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal Securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investors by the Company to enable them to take informed investment decisions with regard to the Company's Securities.

## DEFINITIONS & INTERPRETATION

**"Audit Committee"** means Audit Committee of the Company constituted by the Board of Directors of the Company in accordance with the provisions of section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**"Board"** means Board of Directors of the Forbes Precision Tools and Machine Parts Limited (Company).

**"Code"** means this Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.

**"Compliance Officer"** shall mean Chief Financial Officer or any other senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the 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 these regulations under the overall supervision of the board of directors of the listed company.

Explanation : "Financial Literate" means a person who has the ability to read and understand basic financial statements i.e. Balance Sheet, Profit and Loss and Cash Flow statement.

**"Connected Person"** shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the promoters and their directors and key managerial personnel and persons who would have access to or could access unpublished price sensitive information by virtue of any connection (including social media) that would put them in possession of unpublished price sensitive information.

**"Designated Persons"** means:

(i) All Directors;

(ii) such Employees of the Company, Employees of material subsidiaries of Company;

(iii) all promoters of the Company and promoters who are individuals or investment companies for intermediaries and fiduciaries; Chief Executive Officer and employees upto two-level below the Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the Company or their ability to have access to Unpublished Price Sensitive Information; and

(iv) Any support staff of the Company, intermediary, fiduciary, who have access to Unpublished Price Sensitive Information

(v) and all Connected Persons (including representatives of the auditors, accountancy firms, law firms, analysts, consultants, etc.) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code.

The term Designated Person/s for the purposes of this Code shall include Immediate Relatives.

**"Director"** means a member of the Board of Directors of the Company.

**"Employee"** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.

**"Fiduciaries"** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, bank etc. assisting or advising the Company.

**"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.

**"Intermediary"** means an intermediary registered with SEBI.

**"Immediate Relative"** means the spouse of the Designated Person, and includes parent, sibling and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.

**"Insider"** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information and includes any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose.

“**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 immediate preceding twelve months, equivalent to at least 25% of the of such designated person] but shall exclude relationships in which the payment is based on arm’s length transactions.

"**Promoter**" and “**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.

“**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 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

“**Relative**” shall mean the following:

(i) spouse of the person;

(ii) parent of the person and parent of its spouse;

(iii) sibling of the person and sibling of its spouse;

(iv) child of the person and child of its spouse;

(v) spouse of the person listed at sub-clause (iii); and

(vi) spouse of the person listed at sub-clause (iv)

“**Regulations**” shall mean Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

**“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

**“Trading Day”** means a day on which the recognized stock exchanges are open for trading.

**“Trading in Securities”** means and includes an act of subscribing to, buying, selling, dealing or agreeing to subscribe to, buy, sell or deal in any Securities of the Company and trade shall be construed accordingly.

“**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:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and

- changes in key managerial personnel.

**INTERPRETATION**

- The capitalized words not specifically defined in the Code shall have the same meaning as under the Companies Act, 2013 or the Regulations.
- All the provisions of the Model Code of conduct for prevention of insider trading for listed companies as contained in the Regulations to the extent they are not contradictory with this Code shall be deemed to have been mutatis mutandis specifically incorporated in this Code.
- The provisions of this Code have to be read along with the Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Regulations shall prevail.
- For interpretation of this Code, reference and reliance may be placed upon circulars/clarifications issued by Securities and Exchange Board of India and/or any other authority.

**PART A: CODE FOR PREVENTION OF INSIDER TRADING**

**I.0 Compliance Officer & Duties of Compliance Officer**

1.1 The Chief Financial Officer shall be the Compliance Officer and shall report to the Board of Directors of the Company.

1.2 The Compliance Officer shall be adequately empowered and responsible to effectively discharge functions under the Code and shall have access to all information and documents relating to the Securities of the Company.

1.3 The Compliance Officer shall be responsible for setting forth policies in relation to implementation of the Code and Regulations in consultation with the Board and grant of pre- dealing approvals to the Designated Persons for dealings in the Company's Securities by them and monitoring of such dealings. The Compliance Officer shall implement this Code under the general supervision of the Audit Committee and overall supervision of the Board.

1.4 The Compliance Officer shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non tampering of the database.

1.5 The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code.

1.6 The Compliance Officer shall place status reports before the Chairman of the Audit Committee, detailing Trading in the Securities by the Designated Persons along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code on a quarterly basis.

## 2.0 Preservation of "Price Sensitive Information"

2.1 Designated Person shall maintain the confidentiality of all unpublished PSI. Designated Persons shall not pass on or allow access of such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company unless such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations; or.

2.2 Designated Employees who are privy to unpublished PSI shall handle the same strictly on a "Need to Know" basis except in furtherance of legitimate purpose, performance of duties or discharge of legal obligations. This means the unpublished PSI shall be disclosed only to those persons who need to know the same in the course of performance or discharge of their duty and whose possession of unpublished PSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

## 3.0 Prohibition on Dealing, Communicating or Counselling on Matters Relating to Insider Trading

3.1 No Insider shall:

a) either on his own behalf, or on behalf of any other person, deal in securities of the Company when in the
possession of any unpublished price sensitive information; and

b) communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.

3.2 Insider in preserving the confidentiality of information, and to safe guard its wrongful dissemination to ensure that:

a) confidential information is kept secure;

b) data files are protected by passwords; and

c) data is maintained as per proper guidelines laid down the Compliance Officer from time to time.

The Compliance Officer shall maintain a list of Designated Persons and of other persons with whom Unpublished Price Sensitive Information is shared.

## 4.0 Trading Restrictions

4.1 Trading by Designated Persons shall be subject to trading restrictions as enumerated below:

a) Designated Persons shall strictly conduct all their dealings in the Securities of the Company only when the Trading Window is open.

b) The Trading Window shall be, inter alia, closed at the time of:

i) Declaration of Financial results (quarterly, half-yearly and annual); ii) Declaration of dividends (interim and final); iii) Issue of securities by way of public/ rights/bonus, etc.; iv) Any major expansion plans or execution of new project; v) Amalgamation, mergers, takeovers and buy-back; vi) 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.

c) The Compliance Officer shall also close the trading window when he determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI. In respect of declaration of financial results, the Trading Window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results. In other cases the trading window shall be opened 48 hours after the UPSI becomes generally available.

The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

d) No Designated Person shall at any time, enter into and take positions in derivative transactions in the Securities of the Compa ny.

e) Irrespective of the fact that the Trading Window is open, Designated Persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction i.e. sell or buy, as the case may be, in any number of the Securities of the Company, except as provided under the Code. The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed. Notwithstanding the above, should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act,1992.

f) The provisions of this Code shall be applicable for trading either as first named shareholder or joint holder.

g) Trading restrictions under this Code are also applicable to Designated Persons who engage Portfolio Managers and it shall be responsibility of Designated Person to ensure that the Portfolio complies with this Code.

h) In case of doubt, the Designated Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to pre-clearance are applicable to any proposed transaction in the Company‘s Securities.

**5.0 Pre-clearance of trades**

5.1 Designated Person who intend to deal in the securities of the Company during free period shall be required to obtain pre-approval as per format in Annexure I from the Compliance Officer, in case whether in one transaction or a series of transactions in any financial year exceeds Rs.10 lac (market value). The Compliance Officer shall grant approval within 2 Working Days from the date of acknowledgement. The Compliance Officer shall submit his/her application for pre-approval to the Managing Director.

5.2 Designated Persons shall execute their order in respect of securities of the Company within seven days after the approval of pre-clearance is given. If the order is not executed within

seven days after the approval is given, Designated Persons must pre clear the transaction again. The Designated Person shall file within 2 days Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form Annexure II.

**6.0 Trading Plans**

6.1 The Regulations recognize the concept of Trading Plans. Any Designated Person intending to formulate a Trading Plan shall consult the Compliance Officer to discuss the applicable rules and procedure. The Compliance Officer shall only approve a Trading Plan in accordance with the applicable provisions of the Regulations.

**7.0 Disclosure Requirements**

| Periodicity of Disclosure | Disclosure | Time period within Requirement which disclosure is to be made |
|---|---|---|
| Every person on appointment as a KMP or Director or upon becoming Promoter or Member of Promoter Group | Number of Securities held (Format as per Annexure III) | Within 7 days of such appointment or becoming a Promoter or Member of Promoter Group or KMP or Director |
| Continual Disclosure by Promoter, Member of Promoter Group, designated person and Director of the Company if the value of transactions over any calendar quarter aggregates Rs. 10 lakhs or more. | Details of Securities acquired or disposed off (Format as per Annexure IV) | Within 2 Trading Days of such transaction |
| Annual Disclosure by all Promoters, KMP, Directors and Designated Persons | Number of Securities held (Format as per Annexure V) | Annual disclosure of number of Securities held as on March 31, shall be made within 15 days. |
| Additional Annual Disclosure by Designated Persons | Names and Permanent Account Number and Mobile number of Immediate Relative, person to whom Designated Person shares Material Financial Relationship (Format as per Annexure VI) | Annual disclosure as on March 31, shall be made within 15 days. |

| | | |
|---|---|---|
| Disclosure of Transactions by Other connected persons as identified by the Company | Details of Securities acquired or disposed off (Format as per Annexure VII) | Within 2 Trading Days of such transaction |

**8.0 Institutional Mechanism for Prevention of Insider Trading**

**8.1** The Chief Executive Officer or Managing Director shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

**8.2** The internal controls shall include the following:

(a) all employees who have access to unpublished price sensitive information shall be identified as Designated Persons;

(b) all the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of these Code and Regulation;

(c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by the Code and Regulations;

(d) list of all employees and other persons with whom unpublished price sensitive is shares shall be maintained in the digital database and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;

(e) all other relevant requirement specified under the Code and Regulations shall be complied with; and

(f) periodic process review to evaluate effectiveness of such controls.

8.3 The Chief Executive Director or Managing Director shall ensures compliance with Institutional Mechanism for Prevention of Insider Trading.

8.4 The Audit Committee of the Company shall review compliance with the provisions of the Code, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

8.5 Policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information has been formulated by the Company and duly approved by the Board of Directors of the Company. Accordingly, the Compliance Officer shall initiate appropriate inquiries on becoming aware of leak of UPSI and promptly inform SEBI only after verification by the Inquiry Committee.

8.6 The Whistle-blower policy of the Company, a copy of which is available on the website of the Company, enables employees to report instances, if any, of leak of UPSI.

8.7 If an inquiry is initiated by the Company in case of reported leakage or suspected leak of UPSI, the Intermediaries and Fiduciaries engaged by the Company shall co-operate with the Company in connection with such inquiry conducted by the Company.

## 9.0 Penalty for contravention of Code

9.01 Every Designated Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Immediate Relatives). The Designated Persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action including the termination of employment, wage freeze, suspension, recovery clawback etc.

9.02 The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

9.03 In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the Company.

9.04 In case of violation by the Compliance Officer, the Chief Executive Officer or the Managing Director of the Company shall perform the functions of the Compliance Officer.

## 10.0 Modification or Amendment of Code

10.1 The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code.

10.2 In any circumstance where the terms of this Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Code.

10.3 The Chief Executive Officer or Managing Director of the Company is authorized to make such modifications in the Code time to time, as may be required to ensure compliance of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time time).

# POLICY ON DETERMINATION OF LEGITIMATE PURPOSE

## 1.0 Legal Framework

1.1 The Securities and Exchange Board of India (“**SEBI**”), vide its Notification dated December 31, 2018, has amended the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI PIT Regulations**”). The amendments to the SEBI PIT Regulations are effective from April 1, 2019. Regulation 3 (2A) of the SEBI PIT Regulations specifies that every listed entity shall have a policy for determination of legitimate purpose for which Unpublished Price Sensitive Information is shared by the Insider during the course of its business operations with various stakeholders like partners, collaborators, lenders, customers, suppliers legal advisors, auditors etc.

## 2.0 Applicability

This policy shall be applicable to all Designated Persons. This policy shall be effective from the date the Company gets listed on the designated stock exchange.

## 3.0 Objective of Policy

This Policy deals with sharing of Unpublished Price Sensitive Information by the Insider in the ordinary course of its business operations or on a need – to-know basis with various stakeholders.

## 4.0 Definitions & Interpretation

“Legitimate Purpose” shall mean sharing UPSI in the ordinary course of business or on need-to-know basis.

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 professional or other advisors or consultants, provided that such sharing has not been carried to evade or circumvent the prohibitions of these regulations.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for the purpose of SEBI PIT Regulations and shall comply with the Code.

The capitalized words not specifically defined in this Policy shall have the same meaning as defined this Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices or under Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

## 5.0 Steps for sharing Unpublished Price Sensitive Information

An Insider while sharing Unpublished Price Sensitive Information shall ensure that:

i. The information is Unpublished Price Sensitive Information and is shared for legitimate purpose.

ii. A structured digital database is maintained containing the Names of the person or entities alongwith Permanent Account Number (or any other identifier where PAN is not available) with whom information is ed. Such database is to be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure no tampering of the database as per format in Annexure VIII.

iii. Intimation to be given to the recipient that information shares is Unpublished Price Sensitive Information and a confidential/nondisclosure agreement is entered into with the recipient.

iv. Unpublished Price Sensitive Information to be shared in electronic mode or physical copy addressed directly to the recipient with acknowledgement.

## 6.0 Review

Audit Committee shall review compliance at least once a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

## 7.0 Amendment

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

The Chief Executive Officer or Managing Director of the Company is authorized to make such modifications in the Code time to time, as may be required to ensure compliance of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time time).

**POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

## *1.0* Legal *Framework*

1.1 The Securities and Exchange Board of India (**"SEBI"**), vide its Notification dated December 31, 2018, has amended the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**"SEBI PIT Regulations"**). The amendments to the SEBI PIT Regulations are effective from April 1, 2019. Regulation 9A (5) of the SEBI PIT Regulations specifies that every listed entity shall have a written policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and for initiation of appropriate inquiry on becoming aware of leak or suspected leak and promptly inform Securities and Exchange Board of India od such leaks, inquiries and results of such inquiries.

## 2.0 Applicability

This policy shall be applicable to all designated person and their immediate relatives and all persons in possession or access to unpublished price sensitive information. This policy shall be effective from the date the Company gets listed on the designated stock exchange.

## 3.0 Objective of Policy

This Policy deals with formulation of procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and for initiation of appropriate inquiry, reporting and penalizing the guilty of violating this policy.

## 4.0 Definitions & Interpretation

**"Leak of UPSI"** means communication of information which is UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purpose, performance of duties or legal obligations.

The capitalized words not specifically defined in this Policy shall have the same meaning as defined this Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices or under Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

## 5.0 Procedure for inquiry in case of Leak or suspected Leak of UPSI

5.1 The Compliance Officer or the Chairman of the Audit Committee on becoming aware suo moto or on receipt of a written communication of leak or suspected leak of UPSI from:

i. Any person including Employee(s) of the Company; ii. Regulators; or iii. Promoter; shall follow the below mentioned procedure in order to inquire and/or investigate the matter.

(a) **Preliminary Inquiry**: The object is to ascertain the truth of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark further investigation.

The person (s) appointed/authorized by the Compliance Officer shall submit inquiry report to the Compliance Officer within 7 working days from the date of appointment /authorization. The inquiry report shall be submitted to the Chairman of the Audit Committee.

(b) **Intimation of Leak or suspected leak of Unpublished Price Sensitive Information:**

If in the opinion of the Chairman of the Audit Committee/Chief Financial Officer and Compliance Officer, the preliminary inquiry report requires further investigation, the same shall be submitted to:

1. Managing Director/Board of Directors
2. Inquiry Committee

The Compliance Officer shall intimate SEBI about the Leak or suspected Leak of UPSI.

(c ) **Constitution of Inquiry Committee**:

The Inquiry Committee shall consists of minimum 3 Members which shall include the following persons or any persons nominated by Managing Directors/Chief Financial Officer/Compliance Officer▪ Managing Director

- Chief Financial Officer
- Head of Legal Department
- Head of Human Recourses Department

In case of conflict of interest in any referred case, the member of the committee shall recuse himself/herself from the inquiry.

(d) **Initiation of Investigation by Inquiry Committee**

The Inquiry Committee shall conduct investigation upon receipt of report of preliminary inquiry and complete the said investigation within 7 working days.

The Inquiry Committee's investigation report shall be submitted to the Chairman of Audit Committee/ Board of Directors immediately. The Company shall promptly intimate SEBI of the results of such inquiries.

6.0 **Power of the Inquiry Committee**

The Inquiry Committee while conducting inquiry shall exercise the following powers-

(a) Call any employee or individuals for seeking clarification or information on the leak

(b) Call persons/members of committees or individuals involved in generation of original financial data/consolidation of data for financial results/preparation of presentation, Board Notes and dissemination of information on public domain.

(c) Call any persons or connected persons who had access to unpublished price sensitive information

(d) Engage any external investigators or experts

(e) Take necessary actions including sending the delinquent on leave, restrict physical access to the office premise, freeze access to systems, emails etc. during the pendency of the investigation.

(f) Keep the identity of the delinquent confidential till the completion of inquiry unless essentially required for the purpose of investigation.

(g) Intimate the delinquent of the allegations and provide him/her an opportunity of being heard.

(h) Do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

## 7.0 Disciplinary Action

The disciplinary action against Delinquent may be taken within 15 days from receipt of investigation report by Chairman of Audit Committee/ Board of Directors.

The disciplinary action(s) may include wage freeze, suspension, recovery, claw back, termination etc. as may be decided by the Audit Committee/Board of Directors.

## 8.0 Amendment

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

The Chief Executive Officer or Managing Director of the Company is authorized to make such modifications in the Code time to time, as may be required to ensure compliance of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time time).

**Annexure I**

Compliance Officer
Forbes Precision Tools and Machine Parts Limited
Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001

**Application for Pre-Dealing Approval in Securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval for purchase/ sale/subscription of the Securities (give description) of the Company as per the details given below:

| | |
|---|---|
| Name | |
| Director /Designated Person /Immediate Relative | |
| Designation, Department & Employee Code | |
| Name of Proposed Buyer/Seller | |
| Client Id & Details of Depository | |
| Buy/Sell* | |
| Buy/Sell Quantity* | |
| Balance Quantity after aforesaid Buy/Sell* | |
| Date of purchase / allotment** | |
| Name(s) of Account Holder(s) | |
| Number of securities held* | |

*Including by Immediate Relatives
**Applicable for sale of securities

I, _____ hereby declare that I am a Designated Person of Forbes Precision Tools and Machine Parts Ltd., I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information up to the time of signing this Undertaking. In case I have access to or I receive any Unpublished Price Sensitive Information after signing this Undertaking but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would, and ensure that my Immediate Relatives would completely refrain from Trading in the Securities of the Company till the time such Unpublished Price Sensitive Information becomes public.

I hereby declare that the above details are true, correct and complete in all respects. I have not contravened the Code as notified by the Company from time to time. I undertake to submit the necessary post-trading report within two Trading Days of execution of the transaction and a NIL report if the transaction is not undertaken. I shall be liable to penal action as set out in the Code in case the above declaration is found to be misleading or incorrect at any time.

Signature:

Name:

Date:

**Annexure II**

Compliance Officer
Forbes Precision Tools and Machine Parts Limited
Forbes Building,
Charanjit Rai Marg,
Fort,
Mumbai - 400 001

Dear Sir,

**Details of Pre-approved Transaction I refer to your approval letter No. …….. dated …… I hereby inform you that I /my ……**

**a)** Have not bought /sold/subscribed to …….. securities of the Company.

**b)** Have bought/sold/subscribed to …… securities as mentioned below on ……

| Name of the holder | No of securities bought/sold/subscribed | DP ID/Client ID/LF | Price (Rs) |
|---|---|---|---|
| | | | |
| | | | |

I hereby undertake to preserve for a period of 3 years and produce to the Compliance Officer /SEBI any of the following documents:

1. Contract Note
2. Proof of payment to or from broker
3. Copy of delivery instruction slip

I shall not enter into a contra trade for a period of six months from the date of the aforesaid transactions. In case of urgent needs I shall approach the Compliance Officer for necessary approvals.

Signature:
Name:
Date:

**Annexure III**

**Form B**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**
**[Regulation 7 (1) (b) read with Regulation 6(2)] Disclosure on becoming a Key Managerial Personnel /Director/Promoter/Member of the promoter group]**

Name of the company: Forbes Precision Tools and Machine Parts Limited
ISIN of the company:- INE0TT901016

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

| Name, PAN No., CIN/DIN & Address with contact nos. | Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.) | Date of appointment of Director /KMP OR Date of becoming Promoter | Securities held at the time of becoming Promoter/appointment of Director/KMP | | % of Shareholding | Open Interest of the Future contracts held at the time of becoming Promoter/appointment of | | Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Type of security (For eg. – Shares, Warrants, Convertible | No. | | Number of units (contracts * lot size) | Notional value in Rupee terms | Number of units (contracts * lot size) | Notional value in Rupee terms |
| 1 | 2 | 3 | 4 | 5 | 5 | 6 | | 7 | |
| | | | | | | | | | |
| | | | | | | | | | |

***Note:*** *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:
Designation:
Date:
Place:

**Annexure IV**

**FORM C**
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2)]- Continual Disclosure**

Name of the company: Forbes Precision Tools and Machine Parts Limited
ISIN of the company:- INE0TT901016
**Details of change in holding of Securities of Promoter, Promoter group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

| Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos. | Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.) | Securities held prior to acquisition/disposal | | Securities acquired/Dispose d | | % of shareholding | | Date of allotment advice/ acquisition of shares/ sale of shares specify | | Date of intimation to company | Mode of acquisition (market purchase /public rights/ preferential offer / off market/ Inter-se transfer etc. | Trading in derivatives (Specify type of contract, Futures or Options etc) | | | | Exchange on which the trade was executed |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Type of security (For eg. – Shares, Warrants, Convertible Debenture s etc.) | No. | Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.) | No. | Pre transaction | Post transaction | From | To | | | Buy | | Sell | | |
| | | | | | | | | | | | | Value | Number of units (contracts * lot size) | Value | Number of units (contracts * lot size) | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| | | | | | | | | | | | | | | | | |

***Note:*** *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature: Date:
Designation: Place:

**Annexure V**

Compliance Officer
Forbes Precision Tools and Machine Parts Limited
Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001

Dear Sir,

**Statement of Annual Shareholdings in the Company**

As on March 31, _____, I along with my Immediate Relatives hold the Securities of the Company, details whereof are as under:

| | |
|---|---|
| **Name of Designated Employee** | |
| Designation, Department & Employee Code | |
| Folio, Client Id & Details of Depository | |
| No. of shares sold during the Financial Year | |
| No. of Shares bought during the Financial Year | |
| No. of Shares held as on March 31 | |
| **Name of Immediate Relative** | |
| Relationship | |
| Folio, Client Id & Details of Depository* | |
| PAN | |
| No. of shares sold during the Financial Year* | |
| No. of Shares bought during the Financial Year* | |
| No. of Shares held as on March 31 | |

I hereby declare that the above details are true, correct and complete in all respects.
Signature:

Name:

**ANNEXURE VI**

## FORMAT FOR DISCLOSURE OF PARTICULARS BY PROMOTER / MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL / DIRECTOR/ DESIGNATED PERSON

### Details required for making entry into the Register of Designated Persons

The Compliance Officer,
Forbes Precision Tools and Machine Parts Limited
Dear Sir,
My personal details are as under:

**NAME OF PROMOTER/MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL (KMP) /DIRECTOR /DESIGNATED PERSON:**
**_____#EMPL NO.:_____ #GRADE: _____**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare that I have the following Immediate Relative(s):

| Sr. No. | Name of the Immediate Relative | Relationship with Director/KMP/ Designated Person | PAN/ Other id. | Folio No./DP Id. & Client Id. | Details of Security/(ies) Held | Address, Phone & Mobile No. |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |

| Sr. No. | Name of Person with whom I share a Material Financial Relationship | PAN/ Other id. no.: | Folio No./DP Id. & Client Id. | Phone & Mobile No. |
|---|---|---|---|---|
| | | | | |
| | | | | |

Chronologically List the Names of Educational Institutions attended:
Chronologically List the Names of past Employers:

I hereby undertake to inform changes, if any, in the above details from time-to-time. I hereby declare that the above details are true, correct and complete in all respects.

Signature:
Name:

**Annexure VII**

**Form D (Indicative format)**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**
**Regulation 7(3) – Transactions by Other connected persons as identified by the Company**

| Name, PAN No., CIN/DIN, & address of connected persons with contact nos. | Connection with Company | Securities held prior to acquisition/disposal | | Securities acquired/Dispose | | % of shareholding | | Date of allotment advice/ acquisition of shares/ sale of shares specify | | Date of intimation to company | Mode of acquisition (market purchase /public rights/ preferential offer / off market/ Inter-se transfer etc. | Trading in derivatives (Specify type of contract, Futures or Options etc) | | | | Exchange on which the trade was executed |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Type of security (For eg. – Shares, Warrants, Convertible Debenture s etc.) | No. | Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.) | No. | Pre transaction | Post transaction | From | To | | | Buy | | Sell | | |
| | | | | | | | | | | | | Value | Number of units (contracts * lot size) | Value | Number of units (contracts * lot size) | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | |
| | | | | | | | | | | | | | | | | |

***Note:*** *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature: Date:

Designation: Place:

**Annexure VIII**

**FORMAT FOR DIGITAL DATABASE**

| Sr. No | Name of Promoter/Member ofomoter Group/ Director/KMP/Designated Person/other person/Entity in possession of UPSI | PAN/Other Identification No. | Designation/Employee No, Dept, Div, Location & Phone/mobile no | Names of Immediate Relatives & Persons with material financial relationship, their PAN & mobile no. as disclosed by Designated Person | Names of Educational institutions attended & Past employer(s) of designated persons | DP ID Client ID or LF | Date of Identification | Date of cessation |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

## PART B: CODE FOR CORPORATE DISCLOSURE PRACTICES

### 1.0 Overseeing and co-ordinating disclosure

1.1 The Board of Directors shall designate a senior officer as Chief Investor Relations Officer (CIRO) who would be responsible to ensure timely and adequate disclosure of Unpublished Price Sensitive Information (UPSI) pursuant to this Code as required under the Regulations. The CIRO shall report to the Managing Director and shall also co-ordinate with the Chief Financial Officer.

1.2 The CIRO shall ensure that information shared with analysts and research personnel is not UPSI. The Chief Investor Relations Officer shall be responsible for overseeing and co-ordinating disclosure of UPSI to analysts, shareholders and media, and educating Employees on disclosure policies and procedures.

1.3 The Chief Investor Relations Officer, shall also ensure that when interacting with media and external public, guidelines for disclosure of UPSI are complied with.

1.4 All disclosure/dissemination of any UPSI (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the CIRO, for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the CIRO. In case of doubt, the CIRO, shall consult and seek approval of the Managing Director before dissemination of such information.

1.5 Should any dissemination of information on behalf of the Company take place without prior approval referred above, out of accidental omission, selectively, inadvertently or otherwise by any Employee/Director of the Company then such Employee/Director of the Company shall forthwith inform CIRO about such disclosure. The CIRO will then promptly disseminate the information so as to make such information generally available.

### 2.0 Responding to market rumours

2.1 The Employees of the Company shall promptly direct any queries or requests for verification of market rumours received from stock exchanges or from media or from any other source to the CIRO.

2.2 The CIRO shall on receipt of requests as aforesaid, consult the Managing Director and respond to the same without any delay.

2.3 The CIRO shall be also responsible for deciding in consultation with the Managing Director of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

2.4 All the requests/queries received shall be documented and as far as practicable, the CIRO shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Public Spokesperson unless the Managing Director approves the same.

**3.0 Disclosure/ dissemination of price sensitive information with special reference to analysts, institutional investors**

3.1 No person, except those authorized by the CIRO Officer shall disclose any information relating to the Company's Securities analysts and institutional investors. The CIRO shall be invited to meetings/conferences organized by the Company with the analysts/institutional investors.

3.2 All employees and Directors of the Company should follow the guidelines given hereunder while with analysts and institutional investors:

a) Sharing of non-public information: All employees and Directors of the Company shall provide only public information to the analysts/ research persons. In case non- public information is proposed to be provided, the person proposing to so provide information shall consult the CIRO in advance. The CIRO in such cases shall ensure that that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure. The Company shall take extreme care and caution when dealing with analysts' questions that raise issues outside the intended scope of discussion. The CIRO should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Managing Director. If the answer to any question requires dissemination of UPSI, the CIRO shall report the same to the Managing Director and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press. The CIRO shall, after dissemination of such UPSI aforesaid, respond to such unanticipated questions.

b) Recording of discussion: All the analyst, broker or Institutional Investor meetings shall be attended by the CIRO and another senior Employee(s) of the Company. The CIRO in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting.

c) Simultaneous release of information: Whenever the Company proposes to organise meetings with investment analysts/institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets. The CIRO shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site, in consultation with the Managing Director.

d) Medium of disclosure/ dissemination: The Company shall disseminate all Unpublished Price Sensitive Information on a continuous and in a timely manner to stock exchanges where its Securities are listed and thereafter to the press. As a good corporate practice, the Unpublished Price Sensitive Information disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's web-site. The Company may also consider other modes of public disclosure of Unpublished Price Sensitive Information so as to improve investor access to the same. The information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges, as required under the Regulations.