



**CODE OF CONDUCT FOR PREVENTION OF  
INSIDER TRADING  
AND  
CODE OF CORPORATE DISCLOSURE PRACTICES**

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## INTRODUCTION

The dealing in Securities of the Company by Directors or Officers or Employees of the Company based on Unpublished Price Sensitive Information is termed as “*Insider trading*”. The Securities and Exchange Board of India (SEBI), has issued the SEBI (Prohibition of Insider Trading) Regulation, 1992 (“the Regulations”), as amended by which Insider Trading has been prohibited in India.

Pursuant to Clause 12 of the Regulations, all the Listed Companies are required to frame a code of internal procedures and conduct to restrain Insider Trading.

The Company, **TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED**, in order to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information by Employees or other Insiders has framed “this Code” in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008, as amended, by which Insiders are prohibited from communicating and/or counseling others with respect to the securities of the Company & also refrains them from profiteering by using the unpublished price sensitive information(s).

The Board of Directors of the Company in its meeting held on 28th October, 2013 approved the updated “Code of Conduct for Prevention of Insider Trading” which came into force with immediate effect.

## DEFINITIONS

As used in this Code:

- a) “Board” means Board of Directors of the Company.
- b) “Code” means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- c) “Company” means Techno Electric & Engineering Company Limited.
- d) “Compliance Officer” means an Employee appointed by the Board for the implementation of and overseeing compliance with the Regulations and the Code across the Company.
- e) “Dealing in Securities” means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company either as principal or agent.
- f) “Director” means a member of the Board of Directors of the Company.
- g) “Dependent” shall include the spouse, children and parents, who are financially dependent on the Specified Persons and such other family members of the Specified Persons as may be notified by him/her.
- h) “Employee” means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- i) “Insider” means any person who, is or was connected with the Company or is deemed to have been connected with the Company, including his immediate relatives and who is reasonably expected to have access to unpublished Price Sensitive Information in respect of Securities of the Company, or who has received or has had access to such unpublished Price Sensitive Information.

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- j) “Officer” includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor.
- k) “Price Sensitive Information” means any information, which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of Securities of the Company.

Explanation:

The following shall be deemed to be Price Sensitive Information:

- i. periodical audited or unaudited financial results of the Company, stand-alone or consolidated
- ii. intended declaration of dividends (both interim and final)
- iii. issue of Securities or buy-back of Securities
- iv. any major expansion plans or execution of new projects
- v. amalgamation, mergers or takeovers
- vi. disposal of the whole or a substantial part of the undertaking
- vii. any significant changes in policies, plans or operations of the Company

l) “Securities” includes:

- a) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature, and
- b) such other instruments recognized as securities and issued by the Company from time-to-time, but shall not include any kind of derivatives in the Securities of the Company.

- m) “Specified Persons” - the Directors, the Officers and the Employees are collectively referred to as Specified Persons.
- n) “Trading Window” means trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed.
- o) “Unpublished Information” means information which is not published by the company or its agents and is not specific in nature. Speculative Reports in print or electronic media shall not be considered as Published information.
- p) “Working Day” shall mean the working day when the regular trading is permitted on the concerned stock exchange where Securities of the Company are listed.

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations or the Companies Act, 1956.

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## **COMPLIANCE OFFICER**

The Company Secretary shall be the Compliance Officer and shall report to the Managing Director.

The compliance Officer shall assist all the employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading regulations), 1992 as amended from time to time and the Company's Code of Conduct.

## **RESPONSIBILITIES OF DIRECTORS, OFFICERS ETC. :**

### **A. Preservation of Price Sensitive Information:**

All the Specified Persons shall maintain the confidentiality of all Price Sensitive Information ("PSI") coming into their possession or control. They shall not communicate or counsel or procure directly or indirectly any unpublished PSI to any person and pass on such information to any person, directly or indirectly by way of making recommendations for acquisition/purchase/sale of the securities of the Company.

### **B. Need to know:**

The Specified Persons, who are aware of the unpublished PSI, shall handle the same on a "Need to Know" basis. It implies that unpublished PSI shall be disclosed only to those persons within the Company who need the information to discharge their duty.

### **C. Limited access to confidential information:**

The Specified Persons, who are aware of the unpublished PSI, shall ensure preserving the confidentiality of information and to prevent the wrongful dissemination of the files containing confidential information.

## **TRADING WINDOW**

The Trading Window for Dealing in Securities of the Company shall be closed for the period starting from the intimation of Board Meeting to the Stock Exchange(s) and ending 24 hours after the information referred below is made public.

The Trading Window shall be, inter alia, closed at the time:-

- Declaration of audited or unaudited financial results of the Company, stand-alone or consolidated (quarterly, half-yearly and annual).
- Declaration of dividends (both interim and final).
- Issue of Securities by way of public/rights/bonus etc.
- Any major expansion plans or execution of new projects.
- Amalgamation, mergers or takeovers and buy-back.
- Disposal of the whole or a substantial part of the undertaking.
- Any significant changes in policies, plans or operations of the Company.

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All the Specified Persons shall strictly conduct all their dealings in the Securities of the Company only in a valid Trading Window and no Specified Person shall deal in the Securities of the Company during the period the Trading Window is closed (for reasons as mentioned above) or during any other similar period as may be specified by the Compliance Officer from time-to- time.

The Directors/ Employees who have participated in the Company's Employee Stock Option Plan (ESOP) shall not sell the Securities of the Company allotted to them on exercise of ESOPs when the Trading Window is closed. Nonetheless, the exercise of option shall be permitted when the Trading Window is closed.

### **PRE-CLEARANCE OF TRADES**

All Directors/ employees and their dependents who intend to deal in the securities of the company above a minimum of 10,000 shares of the company or ` 10,00,000 lakhs whichever is higher should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

An application shall be made in the prescribed Form I, to the Compliance Officer (The Compliance Officer should submit his application for pre-dealing approval to the Managing Director.) indicating the estimated number of securities that the director/ officer/ employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf. Such application for pre-dealing approval with enclosures must necessarily be sent through electronic mail followed by hard copies of all the documents.

The Compliance Officer shall in consultation with the Managing Director consider the application made as above and shall approve it forthwith preferably on the same working day but not later than the next working day unless he is of the opinion that grant of such an approval would result in breach of the provisions of this Code, or the Regulations. Such approval/rejection would be conveyed through electronic mail.

In the absence of the Compliance Officer due to leave etc., the Officer designated by him/her from time-to-time shall discharge the function referred to above.

All directors/officer/employees and their dependants shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the director/officer/employee must pre-clear the transaction again.

### **MINIMUM PERIOD FOR HOLDING OF SECURITIES/LISTED SECURITIES**

All Directors/ employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/officers/employees shall also not take positions in derivative transactions in the shares of the company at any time.

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In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

In case the sale of securities is necessitated by personal emergency the holding period may be waived by the Compliance Officer after recording in writing his reasons in this regard.

## **REPORTING REQUIREMENTS**

All Directors/ Officers / Employees shall submit the following statements showing details of holding of securities / transactions in the shares of the Company including that of dependent family members to the Compliance Officer and/or such other information as may be required from time to time:

- a) All holdings in securities of the Company at the time of joining the Company or within 15 days of implementation of this code of conduct in prescribed Form II.
- b) Quarterly statement of any transactions in securities of the Company within 15 days of end of each quarter in prescribed Form III. If there is nil transaction in a particular quarter then this quarterly statement for that quarter need not be submitted. If no quarterly statement/disclosure is received within 15 days as mentioned above, it shall be presumed as NIL transaction during the quarter.
- c) Annual statement of all holdings/transactions in securities of the Company within 30 days of the close of Financial Year in prescribed Form III.

The Compliance Officer shall place before the Managing Director/CEO on monthly basis all details of dealing in the securities by Officers/ employees and their dependants and accompanying documents that such persons had executed under redealing procedures as envisaged in the Code.

## **DISCLOSURE REQUIREMENTS**

Disclosure of Interest or holding by Directors and Officers and Substantial Shareholders

### **Initial Disclosure**

<b>By Whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form</b>
Any person holding more than 5% shares or voting rights	Number of Shares or voting rights held by such person	Within 2 working days of a) receipt of intimation of allotment of shares; or b) acquisition of shares or voting rights, as the case may be.	A
Director/ Officer	Number of shares or voting rights and position taken in derivatives by such persons and his dependants	Within 2 working days of becoming a director or officer of the company.	B

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## Continual Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Any person holding more than 5% shares or voting rights	a) Number of Shares or voting rights held ,and b) Change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure and such change exceeds 2% of total shareholding or voting rights in the Company.	Within 2 working days of : a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	C
Director/ Officer to the Company and Stock Exchange also	a) Number of shares or voting rights held , and b) Change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependants from the last disclosure and the change exceeds Rs. 5 Lakh in value or 25,000 shares or 1% of total shareholding or voting rights whichever is lower.	Within 2 working days of : a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	D

### Disclosure By Company To Stock Exchange

The information received as per above disclosure shall be intimated to all stock exchanges on which the Shares of the company are listed within two working days of receiving the same.

### E-Filing

The disclosures required under this regulation may also be made through electronic filing in accordance with the system devised by the stock exchange.

### Violation Of Provision Relating To Disclosure

Without prejudice to the directions under regulation 11 of SEBI (Prohibition of Insider Trading) Regulations 1992, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the SEBI Act.

### Appeal to the Securities Appellate Tribunal

Any person aggrieved by an order of the Board under these regulations may prefer an appeal to the Securities Appellate Tribunal.

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## **PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

Any director/officer/employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalized and the Company may take appropriate action.

Director/officer/employee of the Company who violate the code of conduct will be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligible for future Employees stock option plans, etc.

The action by the Company will not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

## **INFORMATION TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992 AS AMENDED**

In case it is observed by the Company and/or Compliance Officer that there has been violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

## **CLARIFICATIONS**

For all queries concerning this Code, the Directors, Officers and Employees may please contact the Compliance Officer.



## FORMS

### Form 'I'

For Directors / Officers / Employees for making an application for pre-clearance.

Date:

To  
The Compliance Officer  
Techno Electric & Engineering Company Limited

Dear Sir,

I am desirous of dealing in the below-mentioned securities of the Company in my own name or on behalf of my dependent family member (write name of family member and relationship) and seek your approval to acquire/ Purchase / sell them.

Type of Security	No. of Share	Market Price	Mode of acquisition Purchase/Sale- physical/Demat	Date by which trade is proposed to be executed	Folio No./ DP ID No./Client ID No. along with the name of depository	Present Holding (No. of Shares)	
						Physical	Demat

In relation to the above Acquisition/ Purchase/ Sale, I undertake that:

- I have no access to nor do I have any information that could be construed as "Price Sensitive Information" upto the time of signing this undertaking.
- In case, I get access to or receive any "Price Sensitive Information" after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from dealing in Shares till such information is made public.
- I have not contravened the Company's Code of Conduct for Prevention of Insider Trading as notified by the company from time to time.
- I have made full and true disclosure in this application.

Signature:

Name:

Designation:

Department:

Location:

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**Form 'II'**

For intimating holdings of Directors/officers/designated employees  
and their dependants at the time of joining

Date:

To  
The Compliance Officer  
Techno Electric & Engineering Company Limited

Dear Sir,

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare that I have the following Dependent(s):-

Sr. No.	Name of the dependant	Relationship with Director/Officer/ Designated Employee

I hereby declare that I and my dependants :

- do not hold any Securities as on date
- hold Securities \_\_\_\_\_ (give description) as per the details given below :

Name of holder (Director/Officer/ Designated Employee or their Dependants)	Joint Holders Name	Physical Form		Electronic Form	
		Folio No.	No. of Shares	Dp Id /Client Id	No. of Shares

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

Signature:  
Name:  
Designation:  
Department:  
Location:

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**Form 'III'**

For intimating holdings of Directors/officers/designated employees  
and their dependants at the time of joining

Date:

To  
The Compliance Officer  
\_\_\_\_\_ Limited  
\_\_\_\_\_

Dear Sir,

**STATEMENT OF DEALINGS IN SECURITIES OF THE COMPANY**

During the period quarter/year (*strike out whichever is not applicable*), I along with my Dependents have undertaken the following transactions in the Securities of the Company:

Name of holder (Director/Officer/ Designated Employee or their Dependants)	Joint Holders Name	Nature of Transaction	Date of the Transaction	No. of Securities	Price at which Transaction undertaken	Holding post the Transaction

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

Signature:

Name:

Designation:

Department:

Location:

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**Form 'A'**

**Securities and Exchange Board of India**

**(Prohibition of Insider Trading) Regulations, 1992 [Regulation 13(1) and (6)]**

**Details of acquisition of 5% or more shares in a listed company Initial Disclosure**

Name, PAN No. & address of Shareholder with telephone number	Share holding prior to acquisition	No. and percentage of shares/voting rights acquired	Date of receipt of allotment /advice. Date of acquisition (specify)	Date of intimation to the Company	Mode of acquisition (Market purchase/public/rights/preferential offer etc.)	Shareholding subsequent to acquisition	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy Quantity	Buy Value

**Form 'B'**

**Securities and Exchange Board of India**

**(Prohibition of Insider Trading) Regulations, 1992 [13(2), 13(2A) and 13(6)]**

**Details of acquisition of 5% or more shares in a listed company Initial Disclosure**

Name, PAN No. & Address of Promoter/ Person who is part of Promoter Group/Director/ Office	Date of assuming office of Director/ Officer OR Date of becoming Promoter/ part of Promoter Group.	No. & % of shares/voting rights held at the time of becoming Promoter/ part of Promoter Group/Director/ Officer.	Date of intimation to the Company	Mode of acquisition (Market purchase/public/rights/preferential offer etc.)	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy Quantity	Buy Value

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**Form 'C'**

Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 1992 [Regulation 13(3) and (6)]

**Details of change in shareholding in respect of persons holding more than 5% shares in a listed company**

Name, PAN No. & address of Shareholder with telephone number	Shareholding prior to acquisition	No. and percentage of shares /voting rights acquired	Receipt of allotment/advice/acquisition of shares /sale of shares (specify)	Date of intimation to the Company	Mode of acquisition (Market purchase/public/rights/preferential offer etc.)	No. and percentage of shares /voting rights post-acquisition / sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell quantity	Sell Value

**Form 'D'**

Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 1992 [13(4), 13(4A) and 13(6)]

**Details of change in shareholding or voting rights held by Director or Officer and his dependents or Promoter or Person who is part of Promoter Group of a listed company.**

Name, PAN No. & address of Shareholder with telephone number	No. and percentage of shares /voting rights acquired	Date of receipt of allotment/advice/acquisition/sale of shares/voting rights	Date of intimation to the Company	Mode of acquisition (Market purchase/public/rights/preferential offer etc.)	No. and percentage of shares /voting rights post-acquisition / sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell quantity	Sell Value

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