



**CODE OF CONDUCT  
FOR  
PREVENTION OF INSIDER TRADING**

**AND**

**CODE OF  
CORPORATE DISCLOSURE PRACTICES**

**OF**

**HI-TECH GEARS LIMITED**

The Board has duly approved these Code of Conduct in their meeting held on 30.1.2009 as per SEBI circular dated November 19, 2008.



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## 1. Introduction :

**Insider Trading** means dealing in securities of a company by its directors, employees or other insiders based on unpublished price sensitive information. Such dealings by insiders erode the investors' confidence in the integrity of the management and is unhealthy for the capital markets.

The Securities and Exchange Board of India (**SEBI**), in its endeavor to protect the interests of the investors in general, had formulated the SEBI (Insider Trading) Regulations, 1992, under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from November 19<sup>th</sup> 1992, and the same were made applicable to all companies whose shares were listed on Indian stock exchanges.

To strengthen the existing regulations and to create a framework for prevention of insider trading, SEBI has amended the existing regulations. The amended regulations were notified in the Official Gazette and made effective from November 19, 2008. These regulations are now called "*Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*" (hereinafter referred to as "**the Regulations**"). These Regulations not only regulate insider trading but also seek to prohibit it.

The relevant regulations of the *Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*, which prohibits insider trading is reproduced below:-

### **Regulation 3.**

*"No Insider shall –*

- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information;*
- (ii) communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities*

*Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or under any law."*

### **Regulation 3A.**

*"No company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information."*

### **Regulation 4.**

*"Any insider who deals in securities in contravention of the provisions of regulation 3 or 3A shall be guilty of insider trading."*



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**As per regulation 12** of the said regulations, it is mandatory for every listed company/entity to formulate a code of conduct for the prevention of insider trading as near thereto as the model code specified in schedule – I of the regulations, further the listed company/entity shall also abide by the code of corporate disclosure practices as specified in schedule-II of the regulations.

In line with the model code of conduct and in order to comply with the mandatory requirements of the regulations, the Company has formulated a specific code of conduct for use by its directors, officers, employees and their dependants.

This document embodies the code of conduct for prevention of insider trading and the code of corporate disclosure practices, which may be known as **“Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices of Hi-Tech Gears Limited”**, hereinafter referred to as the **“The Code”**.

The Code is based on the principle that directors, officers and employees of a company owe a fiduciary duty to the shareholders of the company and should place the interest of the shareholders above their own by conducting their personal securities transactions in a manner that does not create any conflict of interest. The Code is also intended to serve as a guiding charter for all concerned persons associated with the functioning of the company and their dealings in securities. Further, the Code also seeks to ensure timely and adequate disclosure of price sensitive information to the investors by the company so as to enable them to take informed investment decisions with regard to the company’s securities.

This Code of Conduct has been made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulation, 1992, as amended, and may be modified by the board of directors of the Company from time to time.

### **2. Definitions:**

For the purpose of this Code, unless the context otherwise requires, –

- (a) **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (b) **“Board of Directors”** means the Board of Directors of Hi-Tech Gears Limited.
- (c) **“Body corporate”** means a body corporate as defined under Section 2 of the Companies Act, 1956 (1 of 1956).
- (d) **“Companies Act”** means the Companies Act, 1956 (1 of 1956) as amended from time to time.
- (e) **“Company”** means Hi-Tech Gears Limited.
- (f) **“Compliance Officer”** means any person appointed by the board of directors of the Company as the compliance officer for the purpose of complying with these regulations from time to time.
- (g) **“Connected Person”** means any person who –



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- (i) is a director, as defined in clause 13 of section 2 of the Companies Act, 1956 (1 of 1956) of a company, or is deemed to be director of that company by virtue of sub-clause (10) of section 307 of that Act, or
- (ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company.

*[Explanation – For the purpose of clause (g) the word. “connected person” shall include any person who is a connected person six months prior to an act of insider trading.]*

- (h) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any persons either as principal or agent.
- (i) **“Designated Employee”** means -
  - (i) every employee in the top layers of the management, viz. Vice President, General Manager, Dy. General Manager/Asstt. General Manager, Sr. Manager;
  - (ii) every employee in the finance & accounts department and secretarial department;
  - (iii) every executive secretary of Managing/Joint Managing Director/Whole-time Director; and
  - (iv) any other employee as may be designated by the Managing Director of the Company considering the objectives of the Code.
- (j) **“Designated Persons”** means a director/officer/designated employee of the Company and such other person or persons who may be so designated by the Managing Director from time to time for the purpose of these Code and the Regulations.
- (k) **“Insider”** means any person who,(i) is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a Company, or (ii) who has received or has had access to such unpublished price sensitive information.
- (l) **“Officer of a Company”** means any persons as defined in Clause (30) of section 2 of the Companies Act, 1956 (1 of 1956), including an auditor of the company.
- (m) **“Price Sensitive Information”** means any information which relates directly or indirectly to a 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 financial results of the Company;
- (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 or mergers or take-overs;
- (vi) Disposal of the whole or substantial part of the undertaking;



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- (vii) Any significant changes in policies, plans or operations of the Company;
- (viii) considering the nature of business of the Company, any other information, which in the opinion of the board of directors of the Company, is likely to materially affect the price of the securities of the Company;
- (n) “ **Person is deemed to be a connected person**” if such person,
  - (i) is a company under the same management or group or any subsidiary company thereof within the meaning of section (1B) of section 370, or sub-section (11) of section 372, of the Companies Act, 1956 (1 of 1956) or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), as the case may be; or
  - (ii) is an intermediary as specified in section 12 of the Act, investment company, trustee company, asset management company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation;
  - (iii) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, investment advisor, sub-broker, investment company or an employee thereof, or, is 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 who have a fiduciary relationship with the company;
  - (iv) is a member of the board of directors, or an employee, of a public financial institution as defined in Section 4A of the Companies Act, 1956; or
  - (v) is an official or an employee of a self regulatory organisation recognised or authorised by the board of a regulatory body; or
  - (vi) is a relative of any of the aforementioned persons;
  - (vii) is a banker of the company.
  - (viii) relatives of the connected person;
  - (ix) is a concern, firm, trust, Hindu undivided family, company or association of persons wherein any of the connected persons mentioned in sub-clause (g) of clause (2), of this Code or any of the persons mentioned in sub-clauses (vi), (vii) or (viii) of this clause have more than 10% of the holding or interest.
- (o) “**Regulations**” means the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.
- (p) “**Relatives**” means a person, as defined in section 6 of the Companies Act, 1956 (1 of 1956).
- (q) “**Securities**” includes:
  - (i) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature;
  - (ii) put, call or any other option on the Company’s securities even though they are not issued by the Company;
  - (iii) futures, derivatives and hybrids; and
  - (iv) such other instruments recognised as securities and issued by the Company from time-to-time.



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- (r) **“Stock Exchange”** means a stock exchange which is recognised by the Central Government or SEBI under Section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956).
  - (s) **“Trading Window”** – means a trading period for trading in Company’s securities as specified by the Company from time to time.
  - (t) **“Unpublished”** means information which is not published by the Company or its Agents and is not specific in nature.  
*Explanation* – Speculative reports in print or electronic media shall not be considered as published information.
  - (u) **“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.
  - (v) All other words and phrases will have the same meaning as defined under the Regulations (as amended) from time to time as also under the SEBI Act, 1992.
3. The Company Secretary of the Company shall be the Compliance Officer for the purpose of this Code.

**PART - A**

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

- 4. This Code of Conduct shall be applicable to all the designated employees and their dependent relatives as defined herein.
- 5. No designated person shall –
  - (i) either on his own behalf or on behalf of any other person, deal in securities of the company when in possession of any unpublished price sensitive information; or
  - (ii) communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person, and such person while in possession of such unpublished price sensitive information shall not deal in the securities of the Company.  
  
*Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law.*
- (iii) Take positions in derivative transactions in the shares of the company at any time.
- 6. The company shall not deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.



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7. No designated person shall pass on any price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
8. No designated person shall communicate any unpublished price sensitive information to any person except those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
9. Disclosure of interest or holding by designated persons and substantial shareholders  
—

**A. Initial disclosure:**

- I. All designated officers, and substantial shareholders who hold more than 5% shares or voting rights in the Company shall file with the Compliance Officer, inter alia, the following details of their holdings and/or dealings and/or any transactions in the securities of the Company including the statement of dependent family member **within 15 (fifteen) days** of the date of adoption of this Code or date of joining the Company, whichever is later:
  - (i) all holdings in securities of the Company as on February 20, 2002 or as on the date of joining the Company, whichever is later with subsequent changes therein from such date till the date of adoption of this Code. (**for prescribed format see Annexure 6**);
  - II. (i) Any person who holds more than 5% shares or voting rights in the Company shall disclose to the company in **Form A** as per **Annexure VIII**, the number of shares or voting rights held by such person, on becoming such holder, **within 2 (two) working days** of:-
    - a. the receipt of intimation of allotment of shares; or
    - b. the acquisition of shares or voting rights, as the case may be.
  - (ii) Any person who is a director or officer of the company, shall disclose to the company in **Form B** as per **Annexure IX**, the number of shares or voting rights held and positions taken in derivative by such person and his dependents, **within 2 (two) working days** of becoming a director or officer of the Company.

**B Continual disclosure:**

- I. Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company in **Form C** as per **Annexure X**, the number of shares or voting rights held and change in shareholding or



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voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made; and such change exceeds 2% of total shareholding or voting rights in the Company.

- II. Any person who is a director or officer of the Company, shall disclose to the Company and the stock exchange where the securities are listed in **Form D** as per **Annexure XI**, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents from the last disclosure made, and the change exceeds **rupees five lakh in value or twenty five thousand shares or one percent** of total shareholding or voting rights, whichever is lower.
  - III. The disclosure mentioned in (I) and (II) above shall be made **within 2 working days** of;
    - (i) the receipt of intimation of allotment of shares, or
    - (ii) the acquisition or sale of shares or voting rights, as the case may be.
  - IV. All designated officers and substantial shareholders shall file with the Compliance Officer a quarterly statement of transactions (if any) made in the securities of the Company exceeding the threshold limit of **rupees five lakh in value or twenty five thousand shares or one percent** of total shareholding or voting rights, whichever is lower.

*Provided that if there are no transactions in a particular quarter, then No such statement is required to be filed.*
  - V. All designated officers and substantial shareholders shall file half yearly statement of all holdings in Company's securities as on September 30<sup>th</sup> and March 31 every year **within 15 (fifteen) days**, in such form and manner (**see Annexure VII**) as may be prescribed by the Compliance Officer from time-to-time.
10. The Company shall **within two days of receipt**, shall disclose to all stock exchanges on which the Company's securities are listed, the information received under Code 9 (nine) above, in the respective formats specified in Annexure.
  11. The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 3 (three) years from the date of the filing thereof.
  12. All designated persons shall keep the files containing confidential information relating to price sensitive information fully secured. Computer files must be kept with adequate security of login and password, etc.



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13. This Code of Conduct shall be applicable to any transactions in securities exceeding the threshold limit of **rupees five lakh in value or twenty five thousand shares or one percent** of total shareholding or voting rights, whichever is lower.
14. Any insider, who deals in securities in contravention of the provisions of code 5 (five) or 6 (six) shall be guilty of Insider trading.

**Trading restrictions for designated persons:**

15. The designated persons shall be subject to trading restrictions in the following manner:

**I. Trading window:**

- a. Other than the period(s) for which the trading window is closed as prescribed hereunder, the same shall remain open for *dealing in the securities* of the Company.
- b. Unless otherwise specified by the Compliance Officer, the trading window for dealing in securities of the Company shall be closed for the following purposes –
  - 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 projects;
  - v. amalgamation, mergers, takeovers and buy-back;
  - vi. disposal of whole or substantially whole of the undertaking; and
  - vii. any significant changes in policies, plans or operations of the Company.
- c. The Trading window shall be closed 7 days before and upto 24 (Twenty-four) hours after each Board Meeting proposed to be held for consideration and approval of the information referred above as (i) to (vii).
- d. All the designated persons shall strictly conduct all their dealings in the securities of the Company only when the trading window is open and shall not deal in any transaction involving the purchase or sale of the Company's securities during the period when trading window is closed, or during any other period as may be specified by the Compliance Officer in consultation with the Managing Director from time-to-time.
- e. In the case of ESOPs, exercise of option may be allowed during the period when the trading window is closed. However, sale of securities



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allotted on exercise of ESOPs, shall not be allowed when trading window is closed.

## II. Pre-clearance of deals in securities: - Applicability

Every designated person who intends to deal in the securities of the Company, shall obtain a *pre-dealing* approval for the proposed transaction as per the pre-dealing procedure prescribed hereunder. Provided however, that the pre-dealing approval shall not be required where the aggregate number of shares/securities proposed to be dealt does not exceed the threshold limit of **rupees five lakh in value or twenty five thousand shares or one percent** of total shareholding or voting rights, whichever is lower in a month **(for prescribed format see Annexure – II)**.

## III. Pre-dealing procedure :

- a. For the purpose of obtaining a *pre-dealing* approval, the designated person shall make an application in the prescribed form (**see Annexure-II**) to the Compliance Officer. Such application should be complete and correct in all respects and should be accompanied by such undertakings, declarations, indemnity bonds (**see Annexure-III**) and other documents/papers as may be prescribed by the Compliance Officer from time-to-time.
- b. The application for *pre-dealing* approval with enclosures must be sent either personally or through electronic mail followed by hard copies of all the documents. The e-mail assigned for the purpose is **pjain@hitechgears.com or secretarial@hitechgears.com**

## IV. Approval :

- a. The Compliance Officer shall consider the application made as per Code 15(III) above and shall approve it within a reasonable time but **not later than 2 (two) working days** unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code. Such approval/rejection shall be conveyed through electronic mail followed by hard copies of the approval and if no such approval/ rejection is received **within a period of 2 (two) working days**, the application shall be deemed to be approved.
- b. Every approval letter shall be issued in such format (**see Annexure-IV**) as may be prescribed by the Company from time-to- time. Every approval shall be dated and shall be valid **for a period of 1 (one) week** after the date of approval.



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- c. In case of non-availability/absence of the Compliance Officer due to official engagement, tour, leave, etc., the officer designated by him/her from time-to-time shall discharge the function referred to in (a) above.

**V. Completion of pre-cleared dealing :**

- a. All the designated persons shall ensure that they complete execution of every pre-cleared deal/ transaction in the Company's securities as prescribed above and **not later than 1 (one) week** after the date of the approval. The designated person shall file **within 2 (two) days** of the execution of the deal/transaction, the details of such deal/transaction with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed with Compliance Officer **within 2 (two) days** after the expiry of the validity period of the approval letter. (*see Annexure-V*).
- b. If a deal/transaction is not executed by the concerned designated person pursuant to the approval granted by the Compliance Officer **within 1 (one) week**, the designated person shall be required to apply once again to the Compliance Officer for *pre clearance* of the transaction covered under the said approval.

**VI. Holding period:**

- a. All the directors/officers/designated 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/designated employees shall also not take positions in derivative transactions in the shares of the Company at any time.
- b. In case of subscription in the primary market (initial public offers), the above mentioned entities (All the directors/officers/designated employees) shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

**VII. Advice regarding pre-clearance:**

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.

**Duties of the board of directors:**



16. The board of directors of the Company shall –

- i. set forth the policies relating to and oversee the implementation of the Code;
- ii. take on record the status reports prepared by the Compliance Officer regarding the dealings in securities by the designated persons on a quarterly basis;
- iii. decide penal action in respect of violation of this Code by any designated person.

**Duties of the Compliance Officer:**

17. The Compliance Officer shall be responsible for:

- i. setting forth policies in consultation with the board of directors;
- ii. prescribing procedures for various activities referred to in the Code;
- iii. monitor adherence to the rules for the preservation of price sensitive information;
- iv. grant of pre-dealing approval(s) to the designated persons and their dependents for dealing in the Company's securities and monitoring of such dealings.
- v. implementation of this Code under the overall supervision of the board of directors.

18. The Compliance Officer shall maintain a record (either manual or in electronic form) of the designated persons and their dependents (**for prescribed format see Annexure-I**) and changes thereto from time-to-time.

19. The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Regulations and this Code.

20. The Compliance Officer shall place status reports before the board of directors or the committee thereof, detailing dealings in the securities by the designated persons along with the documents such persons had executed in accordance with the pre-dealing procedure prescribed under the Code on a quarterly basis.

**Responsibilities of directors, officers, etc:**

**21. Preservation of price sensitive information:**

- a. All the designated persons shall maintain the confidentiality of all price sensitive information ("PSI") coming into their knowledge, possession or control.
- b. To comply with this confidentiality obligation; the designated persons shall not:



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- (i) pass on PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company; or
- (ii) disclose PSI to their family members, friends, business associates or any other individual; or
- (iii) discuss PSI in public places; or
- (iv) disclose PSI to any employee who does not *need to know* the information for discharging his or her duties; or
- (v) recommend to anyone that they may undertake dealing in securities of the Company while being in possession, control or knowledge of PSI; or
- (vi) be seen or perceived to be dealing in securities of the Company on the basis of unpublished PSI.

### **22. Need to know:**

- i. The designated persons who are privy to unpublished PSI shall handle the same strictly on a “*Need to Know*” basis. This means the unpublished PSI shall be disclosed only to those persons within the Company 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.
- ii. All/any non-public information received by any employee shall be immediately reported to the head of the department.

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

The designated persons privy to confidential information shall, in preserving the confidentiality of information and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- i. files containing confidential information shall be kept secure;
- ii. computer files must have adequate security of login through a password;
- iii. follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function.

### **24. Penalty for contravention:**

- i. 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 Dependents);
- ii. Designated persons who trade in securities or communicate any information for trading in securities in contravention of this code shall be penalised and appropriate action taken against them by the Company after giving



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reasonable opportunity of being heard. They shall also be subject to disciplinary action including wage freeze, suspension, in-eligibility for future participation in ESOPs, etc., as may be determined by the board of directors.

- iii. The action taken by the Company for violation of this Code against any designated person shall not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.
- iv. Under Section 15G of the SEBI Act 1992, any Insider who indulges in insider trading in contravention of Regulation 3, is liable to a penalty not exceeding Rs. 25 crore (Rupees twenty five) or three times the amount of profits made out of insider trading, whichever is higher.
- v. Without prejudice to any award of penalty by the adjudicating officer under the SEBI Act 1992, Section 24 of the said Act provides that, any person who contravenes or attempts to contravene or abets the contravention of the provisions of any rules or regulations made thereunder, shall be punishable with imprisonment for a maximum period of ten years or with fine, which may extend to twenty five crore rupees or with both.
- vi. Without prejudice to its rights to initiate criminal prosecution under section 24 of the SEBI Act, 1992, or any action under section 15G of the SEBI Act, 1992, under Regulation 11, SEBI can also issue any or all of the following orders to an insider found indulging in insider trading –
  - a. directing the insider or his/her relative not to deal in the Company's securities in any particular manner;
  - b. prohibiting the insider or his/her relative from disposing of any of the securities acquired in violation of the Regulations;
  - c. restraining the insider or his/her relative from communicating or counseling any person to deal in Company's securities.
  - d. declaring the transaction(s) in securities as null and void;
  - e. directing the person who acquired securities in violation of the Regulations, to deliver the securities back to the seller or alternatively pay the seller the price prevailing at the time of issuing such directions or at the time of transactions, whichever is higher;
  - f. directing the person who dealt in securities in violation of these regulations to transfer an amount or proceeds equivalent to the cost price or market price of securities, whichever is higher to the investor protection fund of a recognised stock exchange.
- vii. In case it is observed by the Compliance Officer that there has been a violation of this Code, the Regulations or the SEBI Act, 1992, by any designated person, he/she shall forthwith inform the board of directors of the Company. The penal action will be initiated by the board of directors on being satisfied that such violation had taken place. The Compliance Officer shall simultaneously inform SEBI about such violation. The designated person



Hi-Tech Gears Limited  
against whom information has been furnished by the Company/Compliance  
Officer to SEBI for violations of the Regulations/Code, shall provide all  
information and render necessary co-operation as may be required by the  
Company/ Compliance Officer or SEBI in this connection.

**25. Clarifications:**

For all queries concerning this Code, the directors, officers and employees may  
please contact the Compliance Officer.





Hi-Tech Gears Limited

**ANNEXURE - II**  
**SPECIMEN OF APPLICATION FOR PRE - DEALING APPROVAL**

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

To  
The Company Secretary,  
Hi-Tech Gears Limited  
A-589, Industrial Complex, Bhiwadi,  
Rajasthan-301 019

|                     |
|---------------------|
| <b>Internal use</b> |
| Recd date and time: |
| Sign :              |

Dear Sir/Madam,

**SUB : APPLICATION FOR PRE-DEALING APPROVAL IN SECURITIES OF THE COMPANY.**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 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 : \_\_\_\_\_

State whether

Director  Officer  Designated Employee

|                          |
|--------------------------|
| <b>EMPL NO.</b> _____    |
| <b>DESIGNATION</b> _____ |
| <b>DEPARTMENT</b> _____  |
| <b>LOCATION</b> _____    |

| Nature of transaction (Buy/ sell/ subscribe) | *Name of Proposed Buyer/ Seller | No. of securities | **Date of purchase/ allotment | ***Previous approval no. and date for purchase/ allotment ) | DP/BEN ID of the account / folio no. where the securities will be credited/ debited | No. of Securities held in such Account/ Folio No. |
|--|---------------------------------|-------------------|-------------------------------|---|---|---|
|  |                                 |                   |                               |   | DP ID_____  |   |
|  |                                 |                   |                               |   | BEN ID _____  |   |
|  |                                 |                   |                               |   | FOLIO NO _____  |   |

\* applicable for off market transaction.

\*\* applicable only if the application is in respect of sale of securities.



Hi-Tech Gears Limited

\*\*\* applicable only if the application is in respect of sale of Securities for which an earlier purchase sanction was granted by the Compliance Officer.

I enclose herewith the form of Undertaking duly signed by me.

Yours faithfully,

\_\_\_\_\_  
**(Signature of Designated Person)**  
**Designation** \_\_\_\_\_

**Note** : This application has to be necessarily submitted either by hand or through electronic mail at the dedicated e-mail id [pjain@hitechgears.com](mailto:pjain@hitechgears.com) and followed by a hard copy.



Hi-Tech Gears Limited

**ANNEXURE-III**

**UNDERTAKING**

**(TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-DEALING)**

To

The Compliance Officer,  
Hi-Tech Gears Limited,  
A-589, Industrial Complex, Bhiwadi,  
Rajasthan-301 019

I, \_\_\_\_\_ S/D/W/o \_\_\_\_\_, resident of \_\_\_\_\_ hereby declare that I am a/an Director/Employee of M/s. Hi-Tech Gears Limited.

I, further declare:

1. that, I am not in possession of or otherwise privy to any unpublished Price Sensitive Information [as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code) up to the time of signing this Undertaking.
2. that, in case, I have access to or receive any 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 completely refrain from dealing in the Securities of the Company till the time such Price Sensitive Information becomes public.
3. that, I declare that I have not contravened the Code as notified by the Company from time to time.
4. that, I undertake to submit the necessary report within two days of execution of the transaction or a 'Nil' report if the transaction is not undertaken.
5. that, I am aware and I shall be liable to face penal consequences including disciplinary action as set forth in the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.
6. that, I hereby agree to indemnify and keep the Company, its Directors & Compliance Officer indemnified from and against any and/or all penalties/fines that may be imposed on them by the Securities and Exchange Board of India



Hi-Tech Gears Limited  
and/or any other statutory authorities as a result of violation by me of the SEBI  
(Prohibition of Insider Trading) Regulations, 1992 and the Code prescribed by  
the Company.

7. that, I declare that I have made full and true disclosure in the matter.

\_\_\_\_\_  
(Signature of Designated Person)

Name : \_\_\_\_\_

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

Date:



Hi-Tech Gears Limited

**ANNEXURE IV**  
**FORMAT FOR PRE-DEALING APPROVAL LETTER**

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

Approval No: HGL/S&L/SEBI (IT) REG/        /20    /

To

Mr./Mrs. \_\_\_\_\_

Emp No.: \_\_\_\_\_

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

**SUB : PRE-DEALING APPROVAL/DISAPPROVAL**

**REF : YOUR APPLICATION DTD. \_\_\_\_\_**

Dear Mr. /Mrs. \_\_\_\_\_

With reference to your above application seeking approval for undertaking certain transactions in securities of the Company detailed therein, please be informed that you are hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

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

This approval letter is valid till \_\_\_\_\_ (i.e. for {1} week). If you do not execute the approved transaction /deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within two {2} days from the date of transaction/deal.

In case the transaction is not undertaken a "Nil" report shall be required to be furnished by you within 2(two) days after the validity period of the approval letter.

Yours truly,

**For Hi-Tech Gears Ltd.**

**Company Secretary**

*Encl: Format for submission of details of transaction*

**ANNEXURE -V****FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS**

(To be submitted within 2 (two) days of transaction/dealing in securities of the Company when transaction is undertaken otherwise within 2 (two) days after the expiry of the validity period of the approval letter issued in this behalf.).

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

To  
The Compliance Officer,  
Hi-Tech Gears Limited  
A-589, Industrial Complex, Bhiwadi,  
Rajasthan-301 019

Dear Sir,

**SUB : DETAILS OF PRE-APPROVED TRANSACTION**  
**REF : YOUR APPROVAL LETTER NO. \_\_\_\_\_ DTD. \_\_\_\_\_**

This is to inform you that I,

- **have not bought/sold/subscribed any Securities of the Company.\***
- **have bought/sold/subscribed to the \_\_\_\_\_ Securities (give description) as mentioned below on \_\_\_\_\_ (insert date).\***

| Name of holder | **<br>First<br>or<br>joint<br>holder | No. of<br>securities<br>dealt with | Bought /<br>Sold/<br>Subscrib<br>ed* | DP ID/CLIENT ID<br>( electronic form ) or<br>Folio no. for physical Sec.<br>will be debited or credited<br>* | Price<br>(Rs) |
|----------------|--------------------------------------|------------------------------------|--------------------------------------|--|---------------|
|                |                                      |                                    |                                      |  |               |
|                |                                      |                                    |                                      |  |               |
|                |                                      |                                    |                                      |  |               |

\*\* "F" first holder "J" joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 (Three) years and produce to the Compliance Officer/SEBI any or all of the following documents:

1. Broker's contract note
2. Proof of payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction)



Hi-Tech Gears Limited

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

I agree to hold the above securities for a minimum period of 6 months in case securities acquired through secondary market and for 30 days when securities are acquired in primary market and 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.

Yours truly,

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

Name: \_\_\_\_\_

Designation \_\_\_\_\_

Emp No: \_\_\_\_\_

Dept/ Div. : \_\_\_\_\_

\* Strike out whichever is not applicable.



**ANNEXURE-VI**

**FORMAT FOR DISCLOSURE OF PARTICULARS BY DIRECTORS/ OFFICERS/ DESIGNATED EMPLOYEES**

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

To  
The Company Secretary,  
Hi-Tech Gears Limited  
A-589, Industrial Complex, Bhiwadi,  
Rajasthan-301 019

**Internal use**  
  
Recd date and time:  
  
Sign :

Dear Sir,

My personal details are as under :

|  |                            |                   |
|--|----------------------------|-------------------|
| <b>NAME OF DIRECTOR /OFFICER/ DESIGNATED EMPLOYEE</b><br>_____ |                            |                   |
| <b>EMPL NO.</b> _____  | <b>GRADE</b> _____         | <b>DEPARTMENT</b> |
| _____  |                            |                   |
| <b>LOCATION</b> _____  | <b>DATE OF APPOINTMENT</b> |                   |
| _____  |                            |                   |

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare :

1. that I have the following Dependent(s):

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

2. that I / my dependants :

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



Hi-Tech Gears Limited

| Name of holder * | **First or joint holder | Folio No. (physical form ) | Holding | ***DP ID/CLIENT ID (electronic form ) | Holding |
|------------------|-------------------------|----------------------------|---------|---------------------------------------|---------|
|                  |                         |                            |         |                                       |         |
|                  |                         |                            |         |                                       |         |
|                  |                         |                            |         |                                       |         |

\* Include holdings where Director/ Officer / Designated Employee or dependant is a joint holder

\*\* Indicate "F" where the named holder is the first holder of the Securities and "J" where he/ she is the joint holder of the Securities.

\*\*\* All DP Ids and Client Ids to be furnished even if no Securities of the Company are held.

3. that shall inform the changes in the above details from time-to-time.

4. that the above details are true, correct and complete in all respects.

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

**Name** : \_\_\_\_\_

**Note:** Please do not submit through electronic mail.



Hi-Tech Gears Limited

**ANNEXURE - VII**

**FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY DIRECTORS/ OFFICERS/  
DESIGNATED EMPLOYEES AND THEIR DEPENDANTS**

Date:

To  
The Company Secretary,  
Hi-Tech Gears Limited,  
A-589, Industrial Complex, Bhiwadi,  
Rajasthan-301 019

Dear Sir,

**STATEMENT OF SHAREHOLDINGS IN HI-TECH GEARS LTD.**

As on \_\_\_\_\_, I along with my Dependents hold the Securities of the Company,  
details whereof are as under:

**Description of Security:**

| <i>Name of Holder</i> | <i>Physical Holdings</i> |  |                       | <i>Electronic Holdings</i> |                  |                       |
|-----------------------|--------------------------|--|-----------------------|----------------------------|------------------|-----------------------|
|                       | <i>Folio No.</i>         |  | <i>Total holdings</i> | <i>DP ID</i>               | <i>Client ID</i> | <i>Total holdings</i> |
|                       |                          |  |                       |                            |                  |                       |
|                       |                          |  |                       |                            |                  |                       |
|                       |                          |  |                       |                            |                  |                       |

Yours truly,

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

Name: \_\_\_\_\_

Emp No: \_\_\_\_\_

Dep./Div. \_\_\_\_\_



**ANNEXURE - VIII**

**FORM A**

**FORMAT OF DISCLOSURE BY PERSON(S) ACQUIRING 5% OR MORE SHARES**

| Name,<br>PAN<br>&<br>address of<br>shareholder<br>with<br>telephone<br>number | Share<br>holding<br>prior<br>to<br>acquisition | No.<br>and %<br>of<br>share<br>s/voting<br>rights<br>acquired | Date of<br>receipt<br>of<br>allotment/<br>advice/<br>Acquisition<br>date | Date of<br>intimation<br>to<br>Company | Mode of<br>acquisition<br>(market<br>purchase/<br>public/right<br>t/<br>preferential<br>offer<br>etc. | Share<br>holding<br>subsequent<br>to<br>acquisition | Trading<br>member<br>through<br>whom the<br>trade<br>was<br>executed<br>with<br>SEBI<br>Registration<br>No.<br>of the<br>TM | Exchange<br>on<br>which<br>the<br>trade<br>was<br>executed | Buy<br>quantity | Buy<br>value |
|---|--|---|--|--|---|---|---|--|-----------------|--------------|
|   |  |   |  |  |   |   |   |  |                 |              |



**ANNEXURE - IX**

**FORM B**

**FORMAT OF DISCLOSURE OF INITIAL SHAREHOLDING BY DIRECTOR/OFFICER**

| Name, PAN & address of Director/ Officer | Date of assuming office of Director/ Officer | No. and % of shares/voting rights held at the time of becoming Director/ Officer | Date of Intimation to Company | Mode of acquisition (market purchase/public/right/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 |
|--|--|--|-------------------------------|---|---|--|--------------|-----------|
|  |  |  |                               |   |   |  |              |           |



**ANNEXURE - X**

**FORM C**

**FORMAT OF DISCLOSURE BY PERSON(S) HOLDING 5% OR MORE SHARES**

| Name, PAN & address of shareholder | Share holding prior to acquisition/sale | No. and % of shares/voting rights acquired/sold | Date of Receipt of allotment advice/Acquisition of shares/sale of shares | Date of intimation to Company | Mode of acquisition (market purchase/public/right/preferential offer etc. | No. & % 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 |
|------------------------------------|---|---|--|-------------------------------|---|---|---|--|--------------|-----------|---------------|------------|
|                                    |   |   |  |                               |   |   |   |  |              |           |               |            |



**ANNEXURE - XI**

**FORM D**

**FORMAT OF DISCLOSURE OF CHANGE IN SHAREHOLDING BY DIRECTOR/OFFICER**

| Name, PAN & addresses of Director/Officer | No. and % of shares /voting rights held by the Director/Officer | Date of Receipt of allotment advice/ Acquisition /sale of share s/voting rights | Date of Intimation to Company | Mode of acquisition (market purchase /public/right/ preferential offer etc. | No. & % of Shares/ post acquisition/voting rights 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 |
|---|---|---|-------------------------------|---|--|---|--|--------------|-----------|---------------|------------|
|   |   |   |                               |   |  |   |  |              |           |               |            |



**PART - B**  
**CODE OF CORPORATE DISCLOSURE PRACTICES**

**1. Overseeing and Co-ordinating disclosure.**

- a. The Compliance Officer would be responsible to ensure timely and adequate disclosure of price sensitive information pursuant to this Code and as required under the SEBI (Prevention of Insider Trading) Regulations, 1992.
- b. The Compliance Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of Price Sensitive Information to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedures.
- c. The Compliance Officer shall also ensure that the guidelines for Interacting with Media & External Publics applicable for Group companies are complied with.
- d. All disclosure/dissemination whatsoever of any information (except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Compliance Officer for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Compliance Officer. In case of doubt, the Compliance Officer shall consult and seek approval of the Managing Director before dissemination of such information.
- e. Should any dissemination of information on behalf of the Company takes place without prior approval referred above, out of accidental omission, by any employee or director of the Company, such employee/director shall forthwith inform the Compliance Officer about such disclosure.

**2. Responding to market rumours.**

- a. The employees/directors of the Company shall promptly direct any queries or requests for verification of market rumours received from stock exchanges or from the press or media or from any other source to the Compliance Officer.
- b. The Compliance Officer shall on receipt of requests as aforesaid, consult the Managing Director as the case may be and respond to the same without any delay.
- c. The Compliance Officer 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.



- d. All the requests/queries received shall be documented and as far as practicable, Compliance Officer shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Compliance Officer unless the Managing Director approves the same.

**3. Timely reporting of shareholdings/ownership and changes in ownership:**

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ownership of major shareholders and disclosure of changes in ownership as required under the Stock Exchange Listing Agreements and/or any rules/regulations made under the Securities & Exchange Board of India Act, 1992 are made in a timely and adequate manner.

**4. Disclosure/ dissemination of price sensitive information with special reference to analysts, institutional investors and sharing of non-public information.**

The Directors, Officers and Employees shall provide only public information to the analysts/ research persons/ large investors like institutions. In case non-public information is proposed to be provided, the person proposing to provide such information shall consult the Compliance Officer in advance. The Compliance Officer in such cases, shall ensure that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.

**5. Handling of Unanticipated question.**

The Company shall take extreme care and caution when dealing with analysts' questions that raise issues outside the intended scope of discussion. The directors, officers, employees, etc., 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 Price Sensitive Information, the Compliance Officer shall report the same to the Managing Director and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press before responding to such unanticipated questions.

**6. Recording of discussion.**

In order to avoid misquoting or misrepresentation, the meeting with the analysts, brokers or Institutional Investor and discussions shall be attended by the 2 (two) senior employees of the Company as may be authorised by the Managing Director in this regard and the proceedings of the meeting shall be recorded in writing.



**7. Simultaneous release of information.**

- a. Whenever the Company proposes to organise meetings with analysts, the Company shall make a press release or post relevant information on its website after every such meeting.
- b. The Compliance Officer 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.

**8. Medium of disclosure/ dissemination:**

- a. The Company shall disclose/disseminate all price sensitive information on a continuous, prompt and in timely manner to stock exchange(s) where its securities are listed and thereafter to the press.
- b. The price sensitive information disclosed to the stock exchange(s) 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 Price Sensitive Information so as to improve investor access to the same.
- c. The information filed by the Company with the stock exchange(s) under continuous disclosure requirement of the listing agreement may also be posted on the Company's website.
- d. The disclosure(s) required to be made by the Company with the stock exchange(s) under these codes may also be disclosed through mode of electronic filing.