

**CODE OF PRACTICES AND PROCEDURES
FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[Pursuant to Regulation 8 Chapter – IV of the SEBI (Prohibition of Insider Trading)
Regulations, 2015]*

1. INTRODUCTION:

The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) on January, 2015, effective from May 15, 2015.

The Board of Directors of every Company, whose securities are listed on a Stock Exchange, shall formulate and publish on its official website, a Code of Practices and Procedures for Fair Disclosure (**‘the Code’**) of Unpublished Price Sensitive Information (**“UPSI”**) that it would follow in order to adhere to each of the principles as stated in **Schedule A** of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”). The objective of the Code is to formulate a standard and stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. The Code is based on the principles of equality of access to information and the publication of policies such as those on dividends, inorganic growth pursuits, calls and meetings with analysts and the publication of transcripts of such calls and meetings.

This Code shall be called as the “Chandni Textiles Engineering Industries Limited” (**the “Company”**) Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information. In substitution of the code and in order to find tune it in line with the amendments as is prescribed by SEBI in the Insider Trading Regulations, the Code of Conduct is reviewed from time to time.

2. THE PRINCIPLES AND OBLIGATION:

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherences to all laws and regulations.

Every promoter, director and employee who deals with unpublished price sensitive information has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. There shall be no selective disclosure of information and the company and every employee of the Company shall endeavor to ensure equal accessibility of information to all stakeholders associated with the company.

3. APPLICABILITY:

This Code shall be applicable to Promoters/Directors/employees/ other connected persons of the Company. The Code will be effective from 01st April, 2019.

4. POLICY:

A Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for adhering each of the principles is set out below:

1. Any material event/information that could have a bearing on the price discovery of the shares/ securities of the Company shall be promptly disclosed.
2. The Company shall always endeavour to follow utmost standards of disclosures ensuring uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary / Compliance Officer of the Company shall act as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. In the unlikely event of any unpublished price sensitive information getting disclosed selectively, inadvertently or otherwise, the same shall be made generally available.
5. The Company shall always endeavour to provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Unpublished Price Sensitive Information is to be handled on a “need to know” basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within and outside the Company who need to know such Unpublished Price Sensitive Information to discharge their duty and whose possession of such Unpublished Price Sensitive Information will not give rise to a conflict of interest or appearance of misuse thereof.
8. The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes in the ordinary course of business and administration of the Company. The Company also has a Policy for determination of Legitimate Purposes for which the UPSI can be shared, which has been attached with this Code and marked as "**Annexure-A**", provided it is not shared to evade or circumvent the prohibition under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015.

9. The Chief Investor Relations Officer shall be responsible for co-ordinating disclosure and intimating the incident of actual or suspected leak of UPSI to Stock Exchanges. The Company also has a Policy for procedure of inquiry incase of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, which has been attached with this Code and marked as "**Annexure-B**".

10. The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend/substitute any provision(s) with a new provision(s) or replace this entire code with a new code. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the code.

11. Any amendment to the Code, upon approval of the Board of the Company shall be intimated to the Stock Exchanges and shall also be updated in the company's official website.

LEGITIMATE PURPOSE POLICY

1. DEFINITIONS:

In this Code unless the context otherwise requires:

(a) “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992)

(b) “**Board**” means the Board of Directors of Chandni Textiles Engineering Industries Limited

(c) “**Companies Act**” means the Companies Act, 2013.

(d) “**Compliance Officer**” means the officer appointed by the Board for the purpose of compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of unpublished price sensitive information, monitoring of trades under the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, under the overall supervision of the Board.

(e) “**generally available information**” means information that is accessible to the public on a non-discriminatory basis.

(f) “**Insider**” means any person who is

i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information;

(g) “**legitimate purpose**” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

(h) “**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;

(i) “**unpublished price sensitive information**” means any information, relating to the 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 the securities and shall, ordinarily including but not restricted to, information relating to the following:-

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transaction;
- (v) changes in key managerial personnel

The words and/or phrases which are not defined in this code but are defined under the SEBI Act, 1992 or SEBI (Prohibition of Insider Trading) Regulations, 2015 or Companies Act, 2014 as amended from time to time, shall have the same meaning as defined under the said Act and/or Regulations.

2. PRESERVATION OF CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

NEED TO KNOW BASIS

Unpublished price sensitive information is to be handled on a “need to know” basis, Unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not rise to a conflict of interest or appearance of misuse of the information.

SHARING OF INFORMATION FOR LEGITIMATE PURPOSE

Unpublished price sensitive information can however be shared in the ordinary course of business by an insider with the following persons, where such communication is for performance of duties or discharge of legal obligations or for need-to-know basis etc., provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

1. Promoters / Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/ team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Merchant Bankers
10. Legal Advisors
11. Regulatory Authorities
12. Advertising Agencies
13. Institutional Investors/ Analysts
14. Insolvency Professionals
15. Consultants
16. Any other advisors/ consultants/ partners
17. Any other person with whom UPSI is shared

Persons in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of Insider Trading Regulations.

The following shall be considered as legitimate purpose generally:

- where it is **necessary for the performance of the contract**;
- where it is necessary for **compliance with a legal obligation** to which we are subject; and/or
- where it is necessary for the purposes of the **legitimate interests** pursued by us or a third party.

MAINTENANCE OF STRUCTURED DATA BASE

A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared under the Insider Trading Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

EXECUTION OF NON-DISCLOSURE AGREEMENTS

The parties with whom information is being shared for legitimate purpose shall execute agreements to maintain confidentiality and there shall be non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except in the furtherance of legitimate purposes, performance of duties or discharge of legal obligations and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information. The format is given as an “**Annexure – 1**”.

(On Letterhead)

Agreement for Confidentiality and Non-dealing in Securities

Date:

To

Name of the Designated Person

Address

Dear Sir,

We have agreed to appoint you as our Employee/ a stock broker/ a banker to the issue/ a trustee of trust deed/ a Trustee Company / a registrar to an issue/ an underwriter/ a portfolio manager/ an investment advisor/ a depository/ a depository participant/ a custodian of securities/ foreign institution investor/ credit rating agency/ advisor/ consultant/ auditor/ merchant banker/ share transfer agent or an intermediary or business associate, in respect of our business and in this connection we may provide to you from time to time various information (Price Sensitive Information) related to Company and/ or its group and associate company/ies and/or its subsidiary company/ies (hereinafter collectively referred to as “company”) which is not available to general people or is proprietary in nature (such oral or written information and all copies of, extract from, analysis and other material based on, containing or otherwise reflecting such information shall herein be referred to as the “Information”). As a condition to you being furnished with any information and as consideration for such, you (the “Recipient”) agree as follows:

1.

(a) Non-Disclosure: Recipient recognizes and acknowledges the competitive value of the information and damages that could result from the disclosure thereof to third parties. Accordingly, recipient agrees to keep the information strictly confidential and recipient will not, without the prior written consent of company, disclose the information to any third party in any manner whatsoever, in whole or in part, except that recipient may disclose the information to those of recipient’s director, officer, employees, agent or other representative (collectively, “Representative”) who (i) need to know the information for the purpose for which the Recipient has been appointed (ii) have been informed of the confidential nature of the information and (iii) have agreed in writing to keep the Information confidential and be bound by the terms of this Agreement as if they were parties hereto. Recipient agrees to be responsible for and to indemnify company and its representatives against any breach by any of Recipient’s Representative of the matters referred to herein. However the Recipient may supply any such information to any Government authority, if demanded by them.

(b) Restrictions on Use: The information will not, without the prior written consent of company be used by Recipient or its Representative, directly or indirectly, for any purpose other than the purpose for which the Recipient has been appointed and such use shall absolutely cease at the

request of company. In addition, Recipient hereby acknowledges that Recipient is aware (and, if applicable, that Recipient's Representative have been advised) that Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 prohibits any person, who has material non-public information about a company, from purchasing or selling securities of such company or from communicating such information to a third party under circumstances in which it is reasonably foreseeable that such third party is likely to purchase or sell such securities.

(c) Return of Information: Upon the request of company, Recipient shall, and shall cause its Representative to, promptly return all Information to company, without retaining any copies, summaries or extract thereof. In the event of such request, all documents analysis, compilation, studies or other material prepared by Recipient or its Representative that contain or reflect Information shall be retained (such destruction to be confirmed) in writing by a duly authorized officer of Recipient). Notwithstanding the return or destruction of the Information, Recipient and its Representative shall continue to be bound by their obligations of confidentiality and other obligations hereunder. With respect of those portion of the Information that consist of analysis, compilation, studies or other material prepared by Recipient or its representative, company may, in its sole discretion, permit the retention, Recipient and its Representative shall continue to be bound by their obligations of Confidentiality and other obligations hereunder.

For the purpose of this Agreement, the term "Information" shall not include such portion of Information that:

- i. Are or become generally available to the public other than as a result of disclosure by Recipient or its Representatives;
- ii. Become available to Recipient on a non-confidential basis from a source not subject to a confidentiality obligation to company, whether by contractual, legal or fiduciary obligation or otherwise; or
- iii. Were, as evidenced by written records or other documentation satisfactory to company, in Recipient's Possession on a non-confidential basis to company disclosure to Recipient.

2. Without prior written consent, Recipient shall not and Recipient shall cause each of its representative not to, directly or indirectly, alone or in concert with other deal in securities or encourage any third party to deal in securities. The term "securities" shall mean and include the equity shares of company and such other securities issued by company and listed on any recognized Stock Exchange. The term "deal" used herein shall mean to subscribe, buy, sell or agreeing to subscribe, buy, sell or deal, directly or indirectly, in securities of company by any person either as principal or agent.

3. In the event that Recipient or its Representative are requested or become legally compelled (by oral questions, interrogatories, requested for information or documents, subpoena, investigative demand or similar process) to disclose any of the information Recipient and its Representative will promptly provide with written notice so that company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of the Agreement. If, in the absence of a protective order or other remedy or waiver, Recipient or its Representative is, in opinion of company's counsel, legally compelled to disclose such Information to any tribunal or

else, in the opinion of company's counsel, stand liable for contempt or suffer other censure or penalty, Recipient or its Representative will furnish only that portion of the Information which is legally required to be furnished and each will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded to such Information.

4. The Recipient hereby agrees that money damages or cancellation of agreement or discharge from performance of duties could be only a part remedy for any breach or threatened breach of this Agreement by the Recipient or its Representative. In addition to the money damages, company shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief in the event of any such breach or threatened breach, in addition to all remedies available to company at law or in equity. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that the Recipient has breached this agreement, then the Recipient shall be liable and pay to the non-breaching party the legal fees and expenses incurred by company in connection with such litigation, including any appeal there from.

5. The Recipient further agrees to indemnify, defend, and hold harmless and its affiliates and all directors, officers, employees, agents, advisor or other representative thereof (each an "Indemnified Person") from and against any losses, claims, damages or liabilities arising out of a breach of this Agreement and to reimburse each Indemnified Person for all costs and expenses (including counsel fees) incurred in connection therewith. Such indemnity agreement shall be in addition to any other liabilities that may be available to any Indemnified Person.

If you agree to the terms and conditions of this Agreement, please indicate your acceptance by signing and returning to the undersigned the duplicate copy of this Agreement.

Your faithfully,

ForLimited

By: _____

Name:

Designated:

Agreed to as of the

Date first written above:

For _____ (name of the consultant / advisor)

By: _____

Name:

Designation:

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")

[Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of Chandni Textiles Engineering Industries Limited laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information (**'the policy'**), for adoption.

This Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information (**"Policy"**) shall come into force with effect from 1st April, 2019 in accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Objectives of this policy are;

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- (iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- (v) To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee & 'Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board of Directors after following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law may be applicable for the time being in force and any amendment(s), sub-substitution(s) thereof or any modification(s) or re-enactment made thereto.

Disclosure of Actual or Suspected Leak of UPSI to Stock Exchanges:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Chief Investor Relations Officer (CIO) shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in "**Annexure - 2**" to this policy.

Report of Actual or Suspected Leak of UPSI to SEBI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in "**Annexure - 3**" to this policy.

Procedure for Enquiry in Case of Leak of UPSI:

On suo-motu becoming aware or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person, the CIO after informing the same to the Managing Director or CEO or Chief Financial Officer or Compliance Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter:

(a) To take Cognizance of the matter:

The Stakeholder Relationship Committee shall meet within a period of 7 days after receipt of the information of actual or suspected leak of Unpublished Price Sensitive Information and take cognizance of the matter and decide as follows. i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed. ii) If it is found that the issue requires further investigation, Preliminary Enquiry may be initiated.

(b) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise which shall be conducted by the Chief Investor Relation Officer. The object of preliminary enquiry is to ascertain the truth or otherwise 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 on any disciplinary action.

The Ethics Committee, if required and in addition to Chief Investor Relation Officer may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

(c) Report of Preliminary Enquiry to the Enquiry Committee:

The Chief Investor Relation Officer or Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to The Stakeholder Relationship Committee within 7 days from the date of his appointment on this behalf.

(d) Disciplinary Action:

The Disciplinary action(s) shall include wage freeze, suspension, recovery, claw back, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

This Policy has been approved and adopted by the Board and will be effective from 1st April, 2019.

FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES

To,

<p>The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001</p> <p>Scrip Code: 522292 Scrip Id: CHANDNI</p>	<p>The Metropolitan Stock Exchange of India Limited, Vibgyor Towers, 4th Floor, Plot No C 62, G Block, Opposite Trident Hotel, Bandra Kurla Complex, Bandra (East), Mumbai -400098, India, Telephone No.: +91-22 6112 9000 Fax No.: +91 22 2654 4000</p> <p>MSEI Symbol: CHANDNI</p>
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Dear Sir /Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes / No
Any other information	

Kindly take the aforesaid on record.

Thanking you,
Yours faithfully,

For _____

Compliance Officer

FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

To,
 Securities and Exchange Board of India
 Plot No. C 4-A, G Block,
 Near Bank of India, Bandra Kurla Complex,
 Bandra East, Mumbai – 4000051

Ref.:

Script Code	BSE Limited	

Dear Sir /Madam,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes / No
Any other information	

Kindly take the aforesaid on record.

Thanking you,
 Yours faithfully,

For _____

Compliance Officer