

CHAMAN LAL SETIA EXPORTS LIMITED
CODE FOR INTERNAL PROCEDURES & PRACTICES AND CONDUCT FOR REGULATING,
MONITORING AND REPORTING OF TRADING BY INSIDERS
(Effective from 15.05.2015)
&
(Amended on 13.02.2017)

1. This Code of Conduct will be known as "Chaman Lal Setia Exports Ltd. Code of Internal Procedures & Practices and Conduct for Regulating, Monitoring and Reporting of Trading" by insiders of Chaman Lal Setia Exports Limited as amended from time to time.
2. This Code of Conduct has been made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, hereinafter referred to as the SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. Important Definitions:-
 - (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992)
 - (b) "Board" means the Board Of Directors of Company."
 - (c) "Body Corporate" means a body corporate as defined under Section 2 of the Companies Act.
 - (d) "Committee" means the Committee, if any, constituted by the Company for the implementations of this Regulations.
 - (e) "Code" or "Code of Conduct" shall mean the Code of Internal Procedures & Practices for fair disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Chaman Lal Setia Exports Limited as amended from time to time.
 - (f) "Company" or "the Company" means Chaman Lal Setia Exports Ltd.
 - (g) "Compliance Officer" means the Company Secretary for the time being of the Company or the Officer appointed by the Board of Directors of the Company for the purpose of this Code and the Regulations.
 - (h) "Connected person" shall generally include :-
 - i) Directors, Key Managerial Personnel, Specified Employees and Promoters (referred to as "Designated Persons") who may have access to unpublished price sensitive information ; and
 - ii) Immediate Relatives of the above;
 - (i) "Insider" means any person who is :
 - 1) A connected person; or
 - 2) In possession of or having access to unpublished price sensitive information
 - (j) "immediate relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;



- (k) "generally available information" means information that is accessible to the public on a non-discriminatory basis ;
- (l) "Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013.
- (m) "Officer of the Company" means any person as defined in Clause (59) of section 2 of the Companies Act, including the Auditors of the Company."
- (n) "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- (o) "trading" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (p) "Trading Day" means a day on which the recognized stock exchanges are open for trading
- (q) "unpublished Price Sensitive Information" means any information, which relates, directly or indirectly, to the Company or its securities that is not generally available which upon becoming generally available, is likely to materially affect the price of Securities and shall, ordinarily include but not restricted to, information relating to the following:
- i) Financial results of the Company
 - ii) dividends
 - iii) Change in capital structure
 - iv) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of whole or substantially the whole of undertakings of business and such other transactions;
 - v) Changes in key managerial personnel; and
 - vi) Material events in accordance with **the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereto from time to time.**
- (r) "Trading Window" means a trading period for trading in the Company's Securities as specified by the Company from time to time.
- (s) Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.



4. Designated Persons

The Chairman of the Board shall in consultation with the Compliance Officer specify the Designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

5. Role of Compliance Officer

5.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

5.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

5.3 The Compliance Officer will maintain the record of Directors, Officers and Designated Employees and incorporate changes from time to time.

5.4 All the designated persons will forward their details of their securities including that of their immediate relatives to the Compliance officer of the Company.

6. Preservation of "Price Sensitive Information"

6.1 All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.

6.2 Norms for appropriate Chinese Walls procedures & processes will be as under –

6.3 . To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas".

6.4 The employees in the inside area shall not communicate any price sensitive information to any one in public area and there will be proper demarcation between employees of inside area from the employee in public area.

6.5 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.



7. Trading Window and Window Closure:-

7.1 (i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

(ii) The trading window for designated persons shall be closed for not less than 7 days or as may be determined by the Compliance Officer, before the date of Board Meeting at which any item/ agenda which is material or is likely to result in significant market reaction or may have a significant impact on the securities of the Company and that may give rise to Unpublished Price Sensitive Information.

(iii) When the trading window is closed, the Designated Persons shall not trade in the Company's securities in such period.

(iv) All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

(v) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

7.2 The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

7.3 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

7.4 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company

8. Pre-clearance & trades

8.1 When the trading window is open, there is no restriction on designated persons for trading of Securities of Company if the value of securities traded, whether in one transaction or series of transactions over any calendar quarter, aggregates to a traded value upto Rs. 5,00,000 in value or 5000 in no. of shares whichever is lower.



Beyond these aforesaid stipulated thresholds over any calendar quarter, trading by these persons shall be subject to pre-clearance by Compliance officer, if the value of proposed trades is above the aforesaid thresholds.

However, no designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

8.2 The Compliance Officer shall confidentially maintain a list as a "restricted list" as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

8.3 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

8.4 Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.

9. Reporting Requirements for transactions in securities

Initial Disclosures of holdings

9.1 Every promoter, key managerial personnel and director of the Company shall Disclose his details of all holdings of securities of the Company as on the date of these regulations taking effect, to the Company within thirty days of these Regulations taking effect (as per Form A).

9.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter (as per Form B).

Continual Disclosures of trades

9.3 Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two (2) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten lakh) or such other value as may be specified;

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.



10. Disclosure by the Company to the Stock Exchange

10.1 Within 2 days of the receipt of intimation under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

10.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

11. Penalty for contravention of Code of Conduct

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

12. Code of Fair Disclosure

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. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

This Code is subject to review from time to time as and when it deems necessary. The Board shall have power to amend/modify/replace this code.

PLACE :- Amritsar



Chaman Lal Setia
Managing Director
Din No. :- 01125789