



CARTRADE TECH LIMITED

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended) and approved by the Board of Directors

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Background

Regulation (8) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**Insider Trading Regulations**) requires a listed company to formulate and publish on its official website a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in adherence to the principles set out in Schedule A of the abovesaid Insider Trading Regulations.

Accordingly, the Board of Directors of the Company (**Board**) has formulated this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (**Code**).

Principles for Public Disclosure

1. The Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information (**UPSI**) that would impact price discovery, no sooner than credible and concrete information comes into being, in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
4. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
6. The Company shall develop 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.
7. The Company shall ensure the handling of all UPSI on a need-to-know basis.

The Chief Financial Officer/Compliance Officer of the Company shall act as the Chief Investor Relations Officer (**CIRO**) who shall be responsible for, and who shall deal with dissemination of information and disclosure of UPSI.

In addition, the CIRO's specific role and responsibilities *inter-alia* include the following:

1. Ensuring compliance with the Code and taking corrective actions for violations of the Code;

2. Reviewing the disclosure process and controls and making changes, as and when required;
3. Providing appropriate training to employees on handling USPI;
4. Assessment of (i) materiality of information; (ii) updates, if any, required to be provided in respect of past disclosures; and (iii) the timing and adequacy of the proposed.

In the event of appointment of any other person as designated Chief Investor Relations Officer by the Company other than the Compliance Officer, such designated Chief Investor Relations Officer shall discharge his/ her roles and responsibilities, and in doing so, consult with the Company Secretary or Compliance Officer, as appropriate.

The CIRO will be responsible to make prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

The CIRO shall strictly observe the timelines stipulated in terms of the circulars and directions issued by SEBI with respect to prior intimations / notices / notifications and disclosures to ensure prompt disclosure of USPI.

The CIRO is to ensure uniform and universal dissemination of UPSI, so as to avoid its selective disclosure. USPI is to be immediately disclosed / disseminated to Stock Exchanges / media so that the information is generally available through publication on the websites of the stock exchanges.

If UPSI were to get disclosed selectively, inadvertently or otherwise, the CIRO shall ensure that such UPSI is promptly disseminated to make such information generally available through publication on the website of stock exchanges.

The CIRO shall ensure that queries on the news reports pertaining to the Company are responded to appropriately, and in a fair manner. The CIRO shall also ensure that appropriate and fair response is given to requests for verification of market rumours by regulatory authorities.

The CIRO is to be informed as to the timing of the meetings or calls with research analysts / research personnel, so as to ensure that no UPSI is shared with analysts and research personnel, as part of such interactions.

The CIRO will be required to ensure that: (a) appropriate policies and procedures are implemented to make transcripts or records of proceedings of meetings/ calls with analysts and other investor relations conferences; and (b) such transcripts/ records are uploaded on the official website of the Company, and are also intimated to the Stock Exchanges, to ensure official confirmation and documentation of disclosures made, in due compliance with the extant regulatory requirements.

Personnel working in the relevant departments of the Company which are handling UPSI, should not share any UPSI with personnel of other departments of the Company or with outsiders, except on a need-to-know basis. For sharing UPSI with personnel of other departments of the Company or with outsiders, appropriate wall-crossing procedure as stipulated by the Board is to be followed.

Policy for determination of “Legitimate Purposes” as a part of “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” and sharing of UPSI pursuant to Legitimate Purpose:

1. In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**Insider Trading Regulations**), **legitimate Purposes** shall include sharing of UPSI 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 such sharing has not been carried out to evade or circumvent the prohibitions of Insider Trading Regulations.

Explanation: For the purposes of this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, the term '**Intermediary**' refers to the persons specified under Section 12 of the Securities and Exchange Board of India Act, 1992 and the term '**Fiduciary**' refers to the professional firms such as, auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company.

2. However, since the scope of the term 'legitimate purpose' under the Insider Trading Regulations is inclusive in nature, its determination would be a subjective assessment, and would have to be evaluated on a case by case basis. As such, an exhaustive list of the events and circumstances that would always be considered 'legitimate' for sharing UPSI cannot be specified.
3. Having regard to the fiduciary obligations cast on the board of directors of the Company ("**Board**"), the Board has made this policy to set out the broad principles as to the approach to be followed while considering if UPSI ought to be shared in a given set of circumstances, so as to ensure that UPSI is dealt with responsibly, in line with letter and the spirit of the Insider Trading Regulations.
4. These broad principles shall include:

A. Purpose for which UPSI is proposed to be shared:

- (a) To determine whether the information sharing is for legitimate purposes or not, the person seeking the information or sharing the information shall satisfy the following conditions, to the extent applicable:
 - (i) Sharing of information is in furtherance of performance of duty or is for discharge of legal/ statutory obligation/ compliance with regulatory/judicial order;
 - (ii) Sharing of information is in furtherance of a genuine business purpose/ object/ corporate purpose;
 - (iii) Sharing of UPSI for any other purpose as may be permitted under the Insider Trading Regulations, as amended from time to time;
 - (iv) Sharing of Information is in the best interests of the Company;
 - (v) Sharing of Information for any other genuine or reasonable purpose as may be determined in line with the Insider Trading Regulations.
- (b) Provided that such sharing should not be carried out to evade or circumvent the prohibition provided under the Insider Trading Regulations.
- (c) Further, while deciding if sharing of UPSI is in furtherance of legitimate purpose, due regard shall be given to the matters affecting the Company at the relevant time, and the information that is generally available about the Company at the relevant time. In case UPSI is proposed to be shared for several purposes, each such purpose should be evaluated on its merits, in line with the above principles.

B. Indicative and illustrative matters that may be deemed 'legitimate purpose':

Legitimate Purposes shall ordinarily include, but not restricted to, the information relating to the following:

- (a) Sharing of information with auditors for audit purpose;
 - (b) Sharing of information with Fiduciaries (bankers, partners, collaborators, consultants etc.) and Intermediaries for completion of business transactions/ commercial purposes;
 - (c) Sharing of information with lawyers/statutory/ regulatory authorities to fulfil any legal obligation related to the Company and to ensure compliance with any applicable law;
 - (d) Assessing strategic alliances and opportunities, including through merger, amalgamation or restructuring of the Company;
 - (e) where information is required to be shared for bonafide business/commercial/ operational/ management purposes pertaining to the Company, in order to create and maximise value for the shareholders of the Company;
 - (f) Sharing of information pursuant to any investigation, enquiry, direction or request for information by any statutory, governmental and/ or regulatory authority/ body that is entitled to call for such information.
- C. UPSI should, at all times, be shared on a need – to – know basis, and only to the extent required.
- D. The nature and extent of UPSI proposed to be shared should be subject to appropriate evaluation, and verification as to whether such sharing is commensurate with the objective sought to be achieved.
- E. The Company should obtain the necessary details in relation to the persons (legal or natural) with whom UPSI is proposed to be shared, including, name, address, email, Permanent Account Number (PAN), or any other identifier authorised by law, where PAN is not available; and such other documents as may be deemed fit. While dealing with legal entities, appropriate details of the natural representatives of such legal entities are to be obtained and maintained, in line with the regulatory requirements.
- F. The Company shall maintain the details of the proposed recipient of UPSI in a structured digital database, in accordance with the Insider Trading Regulations.
- G. The recipient must extend all co-operation to the Company in this regard.
- H. It is clarified that information may be shared by the Company, from time to time, in the ordinary course of its business activities with persons/entities including, the Fiduciaries, Intermediaries, the advisers and service providers, viz., auditors, merchant bankers and legal advisers/ consultants of the Company, etc. in line with the aforementioned principles.
- I. Further, in order to share UPSI with personnel of other departments of the Company or with outsiders, appropriate wall-crossing procedure as stipulated by the Board shall be followed.

Note: *Prior to sharing any information pursuant to the above provisions, the proposed recipient of the information shall be apprised of the fact that the information proposed to be shared for the specified legitimate purpose is UPSI and that the recipient shall be considered as Insider for the purpose of this Code and is expected to maintain confidentiality of such information till such information has been released by authorised representative of the Company in public domain, violation of which may invite*

penal consequences. Appropriate confidentiality and non-disclosure agreement shall be executed with the recipients, in this regard.

This Code of Fair Disclosure and Conduct is subject to review by the Board of Directors of the Company from time to time.

Place: Mumbai

Dated : October 28 2021