



CARTRADE TECH LIMITED

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")

[Under Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Background:

The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**") has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak/ suspected of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak/ suspected leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

It is understood that an inquiry into any instance of leak or suspected leak of unpublished price sensitive information ("**UPSI**") would necessarily have to be tailored to the specific facts and circumstances of each such instance. Consequently, it is not possible to prescribe a standard operating procedure that would strictly apply in every instance of an inquiry; in fact, flexibility of the inquiry process is critical to ensure that the investigation process appropriately examines all aspects that may arise in different cases.

In view of the above, this Policy sets out the broad principles of the approach that the Company shall follow while examining any case of leak or suspected leak of UPSI. It is clarified that while an inquiry in case of a leak, or suspected leak of UPSI may be operationalised through various modalities, it shall adhere to the key standards set out herein.

Accordingly, the board of directors of the Company ("**Board**") has prescribed the following:

Policy:

1. Upon becoming aware of an actual or suspected leak of unpublished price sensitive information, including, by way of: (a) a written complaint and/or communication received from a whistle-blower, (b) communication received from regulatory authorities, (c) Company's own / internal monitoring, etc., the Board shall, in consultation with the Chief Financial Officer or Compliance Officer evaluate and determine if the matter merits any inquiry or investigation.

Typically, mere market rumours, inferences based on media reports, or analysts' observations will not be the determining factor for initiating a preliminary investigation, and the Board shall, in consultation with the Chief Financial Officer or Compliance Officer, have the discretion to decide if a preliminary investigation is required to be undertaken, in each such case.

2. In the event the Board decides that the matter warrants an investigation, it shall promptly constitute an enquiry committee comprising such persons as the Board deems fit ("**Enquiry Committee**"), to undertake a fact-finding exercise into the matter ("**Enquiry**").

3. As a first step in such Enquiry, the Enquiry Committee shall undertake a preliminary assessment and take necessary steps to analyse the veracity of the allegation ("**Preliminary Assessment**"), including but not limited to:
 - (a) Evaluating the source and type of the complaint/ allegation;
 - (b) Analysing the nature of the UPSI that was leaked or allegedly leaked, so as to determine the scope of assessment, the parties who could have had access to it and the manner in which it could have been leaked;
 - (c) Examining the complainant, where his/her identity is known, or conduct interviews with other stakeholders, in connection with the matter.
4. Based on the outcome of the Preliminary Assessment, the Enquiry Committee shall determine whether: (a) the allegations are baseless and require no further action, or (b) the particular matter requires further internal enquiry and investigation. The Enquiry Committee shall apprise the Board of its findings along with a brief summary of the research methodology adopted, its recommendations, and reasons for the same. The Board shall, thereafter, deliberate and determine whether the matter requires further investigation.
5. In the event that the Board requires the Enquiry Committee to undertake a detailed investigation, the Enquiry Committee shall conduct the Enquiry and take all necessary steps, including but not limited to, the following:
 - (a) Identifying the medium / source through which the UPSI leaked was disclosed and/ or communicated;
 - (b) Conducting a confidential and non-intrusive investigation into the activities and roles of the individuals/ parties who typically handled, or had knowledge of, the UPSI in question, including by way of reviewing the available documentation in this regard, as well as conducting interviews, where necessary;
 - (c) Appointing external consultants/ advisers/ professionals to assist in the conduct and/ or advise on the Enquiry, including, undertaking forensic investigation, where necessary; and
 - (d) Reviewing of the internal controls and processes implemented by the Company for determining deficiencies or gaps, if any, in such internal controls/ processes; and recommending the improvements in such internal controls / processes.
6. The Enquiry Committee shall ensure, at all times, that the Enquiry (including, the Preliminary Assessment) is undertaken in a strictly confidential manner and details regarding the same are shared with relevant internal and external stakeholders on a need – to – know basis only. In cases where the complaint is received from a whistle-blower, the Enquiry Committee shall ensure that his/her identity remains strictly confidential.
7. The Enquiry Committee shall conduct the Enquiry in accordance with the principles of natural justice. Accordingly, the Enquiry Committee shall ensure that the person(s) against whom allegations regarding the leak of UPSI have been levelled are provided the opportunity of being heard and making written submissions, etc. The Enquiry Committee shall appropriately consider the same prior to concluding the Enquiry.

8. Upon the conclusion of the Enquiry,
 - (a) the Enquiry Committee shall apprise the Board of its findings along with a brief summary of the details of the investigation, research methodology adopted, etc.;
 - (b) in the event the Enquiry Committee has determined the party responsible for, or involved in, the leak of UPSI, it will make suitable recommendations to the Board regarding appropriate actions that may be taken, in this regard;
 - (c) the Board shall, where appropriate, take disciplinary and penal action(s) and any other steps it deems necessary, against the persons identified as being responsible for the leak of UPSI.
9. The Board shall inform SEBI of the outcome of the Enquiry and the steps taken by the Company in that regard, in line with the Regulations.
10. The Enquiry Committee shall endeavour to conclude the Enquiry within a period of 30 to 45 days from its commencement. It is clarified that the period for completion of the Enquiry may be extended with the prior permission of the Board, if the circumstances so require.
11. An employee who voluntarily submits information to SEBI relating to any alleged violations of insider trading laws in accordance with the Informant mechanism under the Regulations, shall be suitably protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.
12. The Policy shall come into force with effect from October 28, 2021.
13. Defined terms used herein but not specifically defined shall have the meanings ascribed to them under the PIT Code of Conduct of the Company.