



CAPITAL TRADE

LINKS LTD.

CIN : L51909DL1984PLC019622

CODE OF CONDUCT

**“TO REGULATE, MONITOR AND
REPORT TRADING BY INSIDERS”**

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INTRODUCTION

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the 'Regulations') mandates the listed Companies to frame a Code of Conduct to regulate, monitor and report trading by members.

The purpose of this code is to set minimum standards to regulate, monitor and report trading done by Insiders of the company and to develop a culture of honesty and accountability.

DEFINITIONS

- a) "the Company" or "Company" means Capital Trade Links Limited.
- b) "Board of Directors" or "the Board" means the Board of Directors of Capital Trade Links Limited.
- c) "Officers" shall mean all the Directors and members of management one level below the Board of Directors.
- d) "Relatives" mean relatives as defined in the Companies Act, 2013 as amended.
- e) "Associates" shall include any person or entity, whose relation or association with the officer is such so as to influence the objective decision making by the officer.

OBJECTIVE

The Code has been drafted to:

- a. ensure that the Board of Directors and the Senior Management Personnel maintain the standards of conduct required of them and also become aware of those situations where there is likely to be a potential conflict between the interest of the company and the interest of the officers of the company and in such circumstances, no step is taken against the interest of the Company.

- b. set and implement high standards of transparency, integrity, accountability and corporate social responsibility in all dealings.

AUTHORITY

The code of conduct has been approved by the Board of Directors of the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 at their duly held meeting.

APPLICABILITY

This code shall be applicable to all the Officers of the company.

CODE OF CONDUCT

The Officers of the company shall always act in the best interests of the Company and shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

A. Legal, Honest and Ethical Conduct

The Officers of the company shall always act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. They shall act with due care, competence and diligence, without allowing their independent judgment to be subordinated.

Honest conduct is a conduct that is free from fraud or deception. Ethical conduct is ethical handling of actual or apparent conflicts of interest between personal and professional relationship.

B. Need to know basis

All information shall be handled within the organisation on a need-to-know basis and no Unpublished Price Sensitive Information (UPSI) shall be communicated to any person.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- (i) in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non disclosure agreements being executed; or
- (ii) in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company; or
- (iii) within a group of persons if such persons have been identified and secluded within a “chinese wall” or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the “chinese wall”, and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI.

C. Prohibition on Insider Trading

An Insider shall not, directly or indirectly,-

- i. Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- ii. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the restriction in C (i) above shall not apply to:

- (a) a transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision; and
- (b) Trades pursuant to a Trading Plan set up in accordance with these Rules.

D. Trading Window

- i. The Compliance Officer shall notify a 'trading window' during which the Officers of the company may trade in the Company's securities after securing pre-clearance from the Compliance Officer in accordance with these Rules.
- ii. Officers of the company shall not Trade in the Company's securities when the trading window is closed.
- iii. Additionally, the trading window shall be closed in particular for an Officer of the company when the Compliance Officer determines that such person can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer
- iv. The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.

E. Re-opening of the trading window:

The timing for the re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall be not less than forty-eight hours after the information becomes generally available. 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.

F. Pre-clearance of Trading:

When the trading window is open, trading by officers shall be subject to pre-clearance by the compliance officer, if the value of the proposed trade is above the thresholds stipulated by the Board:

- 1) The Officers of the company may trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer of the company

- 2) The Compliance Officer shall not approve any proposed Trade by any Officer of the company if the Compliance Officer determines that such officer is in possession of UPSI even though the trading window is open.
- 3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by an officer of the company, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.
- 4) The officer of the company shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer. In case the transaction is not undertaken, a report to that effect shall be filed with the Compliance Officer.
- 5) Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the appellant for pre-clearance is not in possession of UPSI.
- 6) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Officer must secure pre-clearance of the transaction again.
- 7) An Officer who Trades in securities without complying with the preclearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.
- 8) Nothing in this rule shall apply to any Trade involving a value less than Rs.5 Lakhs or such other amount as may be specified by the Board of Directors from time to time (a “de minimis Trade”) provided the Designated Person is not in possession of UPSI while executing the de minimis Trade.

G. Restricted list:

The compliance officer shall confidentially maintain a list of securities as a ‘restricted list’ which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

H. Additional trading restrictions on Designated Persons

- 1) No Director or Key Managerial Personnel shall enter into derivative transactions in respect of the securities of the Company.

- 2) All Officers of the company who Trade in the securities of the company shall not enter into an opposite transaction during the next six months following the prior transaction. The compliance officer is empowered to grant relaxation from strict application of such restriction for reasons recorded in writing provided that such relaxation does not violate the regulations.
- 3) In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

I. Trading Plan:

- 1) Officers of the company shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a “Trading Plan”) and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his behalf in accordance with such plan.
- 2) The Compliance Officer shall review and approve the Trading Plan if it complies with the SEBI Regulations and shall disclose the Trading Plan to the stock exchanges.
- 3) The Trading Plan once approved shall be irrevocable and the Designated Person shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the officer is in possession of UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information. Further, the officer shall also not be allowed to Trade in securities of the Company, if the date of Trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

J. Conflict of Interest

The Officers of the company shall not engage in any business, relationship or activity which might conflict with the interest of his/her company or that would tend to influence him/her to act in any manner other than in the best interests of the Company. Every Officer of the company should make a full disclosure to the Board of any transaction that they reasonably expect, could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions, if needed.

K. Confidentiality

The Officers of the company should maintain confidentiality of information entrusted to them in carrying out their duties and responsibilities.

The Officers of the company and his or her immediate family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, which is not in the public domain and thus constitutes insider information. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or the disclosure of which might be harmful to the company or its Associates.

L. Fair Dealing

The Officers of the company should endeavour to deal fairly and not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

M. Disclosure of Interest

The Officers of the company should disclose the necessary information to the Company and the Board of Directors at regular intervals in respect of declarations required to be made under Applicable Law, including the Companies Act, 2013 as amended, details of related parties and details of any material financial and commercial transactions where a conflict of interest is likely.

N. Compliance with the “Code of Conduct for Prevention of Insider Trading”

The Officers of the company should comply with the provisions of the Code of Conduct for Prevention of Insider Trading at all times.

O. Compliance with Laws & Regulations

The Officers of the company should comply with all the applicable laws, rules and regulations for the time being in force both in letter and in spirit.

P. Violations of the Code

The Officers of the company shall ensure compliance with the Code. The Company will take appropriate action against any Officers of the company whose actions are found to violate the Code, after giving him/her a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities/regulators and enforcement agencies

Q. Modification and Amendments

The Company reserves the right to modify and/or amend this Code at any time. This Code and subsequent amendment(s) thereto, shall be promptly intimated to the stock exchanges where the Securities of the Company are listed.

R. Disclosure of Code on Public Domain

This Code and any amendment thereof will be published on the Company’s website www.capitaltrade.in

Acknowledgement

The Officers of the company shall acknowledge receipt of the Code and confirm having received and read this code of conduct and agree to comply with the code.