

PROLIFE INDUSTRIES LIMITED
CODE OF PRACTICE & PROCEDURE FOR FAIR DISCLOSURE ON
UNPUBLISHED PRICE SENSITIVE INFORMATION

[Framed under Regulation 8 (1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015]

PREFACE:

This Code has been framed pursuant to the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Regulations).

The Regulations as amended by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 provides inter-alia that the Board of Directors of every listed company shall make a policy for determination of legitimate purposes as a part of Code of Fair Disclosure and Conduct.

In compliance of the above, the Board of Directors of Prolife Industries Limited has amended this Code.

This Code will be effective from 1st April, 2019.

The Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

DEFINITIONS:

"Board" means Board of Directors of the Company.

"Chief Investors Relation Officer" (CIRO) means the Company Secretary & Compliance Officer of the Company.

"Company" means Prolife Industries Limited.

"Code" means Code of practices and procedures for fair disclosure of unpublished price sensitive information or Code of Fair Disclosure and Conduct.

"Legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers,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 prohibition of these regulations;

"Unpublished price sensitive information" (UPSI) means any information, relating to a company or its securities, directly or indirectly, that is not generally available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, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel.

"Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time.

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 2018, the Companies Act, 2013 and the rules and regulations made there under including amendments(s)/ modification(s) thereto.

PRINCIPLES OF FAIR DISCLOSURE

The Company shall adhere to the following principles to ensure timely and fair disclosure of unpublished price sensitive information of the Company and its securities.

1. Prompt public disclosure of UPSI by the Company by way of informing to the stock exchanges and uploading on the Company's website (www.prolifeindustries.in).
2. Uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The CIRO shall oversee disclosures and deal with dissemination of information and disclosure of UPSI. In absence of CIRO, any Key Managerial Personnel (KMP) of the Company shall oversee disclosures and deal with dissemination of information and disclosure of UPSI. The CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements and for overseeing and coordinating disclosure of UPSI to stock exchanges and on the website of the Company.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available. However, if such UPSI gets disclosed selectively (whether inadvertently or otherwise), the concerned officer of the Company shall immediately consult the CIRO or any KMP of the Company, who shall arrange to make such information generally available.
5. The CIRO or KMP shall appropriately and in fair manner response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensure that information shared with analysts/research personnel/ investors is not unpublished price sensitive information. The Company shall be careful while answering to the queries of analysts. Unanticipated questions shall be taken on notice and a considered response shall be given later.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis. Unpublished price sensitive information shall be disclosed to Company officials only after a proper clarification is sought as to the purpose for which the information is needed.

POLICY ON DETERMINATION OF LEGITIMATE PURPOSE

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons etc. during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information ('UPSI'), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by and subject to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and the Company's Code of Conduct for Prevention of Insider Trading.

This "Policy on Determination of Legitimate Purpose" ('Policy') is framed by the Board of Directors of the Company pursuant to the amendment in the PIT Regulations, in 2018 and is part of "Company's Code of Conduct for Fair Disclosure of UPSI".

SHARING OF UPSI FOR LEGITIMATE PURPOSE

The UPSI shall be shared by any person(s) authorized by the Board of Directors, Managing/Whole-time Director or CIRO of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;

- a. Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants;
- b. Sharing of UPSI with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
- c. Sharing the relevant UPSI with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender;
- d. Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business
- e. Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
- f. Sharing of UPSI for discharge of legal obligation(s);
- g. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIRO of the Company;
- h. Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time;

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of the Code and shall comply with the Code.

However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

CONDITIONS FOR SHARING UPSI

Any person in receipt of USPI pursuant to a “Legitimate Purpose” shall be considered and “Insider” for the purposes of this code and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations which would inter alia includes the following:

- a. The information shared is in nature of UPSI
- b. To maintain confidentiality of such UPSI and not to disclose such UPSI except in compliance with Insider Trading Regulations.
- c. Not to trade in securities of the company while in possession of UPSI.
- d. The recipient shall obtain the company’s prior written consent in case the information provided such recipient is to be used by such recipient for the purpose other than the Legitimate Purpose for which the Company had provided UPSI and such other purpose is also a Legitimate Purpose.

TRADING WHEN IN POSSESSION OF UPSI:

When a person who has traded in securities has been in possession of UPSI, his trade(s) would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

MAINTAINANCE OF DIGITAL DATABASE:

The Company shall maintain a structural digital database of the persons with whom UPSI is shared, as required under Insider Trading Regulations. The database shall inter alia contain the names of the persons or entities with whom the information is shared under the Insider Trading Regulations along with the Permanent Account Number or any other identifier authorised by law where PAN is not available.

The UPSI should be protected, as far as reasonably possible, from deliberate or accidental misuse or disclosure, both within the Company and outside, i.e. to third parties.

PENALTIES AND FINE APPLICABLE IN CASE OF VIOLATION OF THE POLICY:

Any sharing of UPSI, other than in compliance with the policy and the Insider Trading Regulations, would be construed as a violation. The onus lies on the insider to prove to the contrary. In case of any violation of this Policy, disciplinary action would be taken by the Company. The Company shall also inform Securities and Exchange Board of India about the violation.

DISCLOSURE OF CODE

This Code and any amendment, shall be informed to stock exchanges and uploaded on the Company website www.prolifeindustries.in

AMENDMENT/MODIFICATION

The Board of Directors may review and amend/modify this Code, in whole or in part, from time to time, in writing, as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law, rules or regulations, as may be applicable.