

PROVENTUS AGROCOM LTD

Policy on DETERMINATION OF LEGITIMATE PURPOSES & PROCESS ON HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS

Proventus Agrocom Limited

(Formerly known as Proventus Agrocom Private Limited)

Regd. Address: 515, 5th Floor, 215 Atrium, Wing C, Andheri Kurla Road, Andheri East, Mumbai 400059

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CIN: U74999MH2015PLC269390

A. DETERMINATION OF LEGITIMATE

PURPOSES POLICY INTRODUCTION

Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015., unpublished price sensitive information (UPSI) relating to the Company or shares listed with the stock exchanges, shall not be communicated to any person, including insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Regulation 3 (2A) mandates formation of written policies for determination of legitimate purpose of for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information(UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

This Policy will be effective from 21st March 2023, the date of approval by the Board of Directors. The Policy shall also be uploaded on the website of the Company at <https://www.proventusagro.com/>

PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

DEFINITION

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"Legitimate Purposes" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with whom UPSI is shared

"Insider" Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations

DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

A. PROCESS ON HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS

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INTRODUCTION

Pursuant to Clause 15 of Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has to have a process for how and when people are brought 'inside' on sensitive transactions.

DEFINITION

"Insider", as defined in Regulation 2(g) of SEBI (Prohibition of (Insider Trading) Regulation, 2015 means any person who is

- a. a connected person, or
- b. in possession of or having access to unpublished price sensitive information.

"Connected person" as defined in Regulation 2(d) of SEBI (Prohibition of Insider Trading) Regulation, 2015 means:

- a. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- b. without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - i. an immediate relative of connected persons specified in clause (a); or
 - ii. a holding company or associate company or subsidiary company; or
 - iii. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
 - v. an official of a stock exchange or of clearing house or corporation; or
 - vi. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - vii. a member of the board of directors or an employee of a public financial institution as defined in section 2(72) of the Companies Act, 2013; or
 - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - ix. a banker of the company; or
 - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest.

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The above persons are considered as connected persons on the basis of presumption. Decision has to be taken whether a person is actually in possession or having access to unpublished price sensitive information. Therefore, apart from the above persons, the Board of Directors should determine whether a person is considered as insider in respect of any particular information.

Again, as per Regulation 3 (28) inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered as: insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

"Generally available information" is defined as information that is accessible to the public on a non-discriminatory basis.

ANALYSIS

It is intended that anyone in possession of or having access to unpublished price sensitive information should be considered as "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not have access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

PURPOSE AND ACTION

Purpose of this process is to determine how and when people are brought 'inside' on sensitive transactions and when a person is considered as an insider, he should be made aware of the duties and responsibilities attached to the receipt of inside information and the liability that attaches to misuse or unwarranted use of such information. A broad categorization of the persons to be treated as insider should be made based on their involvement in any activity relating to unpublished price sensitive information. It should be determined on a case to case basis and the Compliance Officer should make the concerned person aware of the duties and responsibilities attached to the receipt of inside information and the liability that attaches to misuse or unwarranted use of such information.

AMENDMENT

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The Board of Directors of the Company, subject to applicable laws, Rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

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