



## **WHISTLE BLOWER POLICY**

**OF**

**PARAG MILK FOODS LIMITED**

## **1. PREFACE**

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) [hereinafter referred to as “SEBI (LODR) Regulations” or Regulations] requires all listed companies to establish a Vigil mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or ethics policy and shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

## **2. OBJECTIVE**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Company commits to make employees aware of the policy to enable employees to report instances of leak of unpublished price sensitive information.

## **3. EFFECTIVE DATE:**

This policy was approved by the Board of Directors at its meeting held on January 14, 2016 and the same was applicable to the Company from the date of its listing with BSE Ltd. (BSE) and National Stock Exchange of India (NSE) i.e. with effect from May 16, 2016

This policy was subsequently revised by the Board of Directors at its meeting held on February 02, 2019 and the same shall be effective with effect from April 01, 2019.

BSE and NSE are hereinafter together referred to as “the stock exchanges”.

## **4. POLICY**

The Whistle blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## 5. DEFINITIONS

- **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- **“Directors”** means define as per Section 2(36) of the Companies Act, 2013.
- **“Employee”** means every employee of the Company (whether working in India or outside India)
- **“Audit Committee”** mean a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) [hereinafter referred to as “SEBI (LODR) regulations” or Regulations”]
- **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity including leak or suspected leak of the Unpublished Price Sensitive Information. Protected Disclosures should be factual and not speculative in nature.
- **“Whistle Blower”** means an employee or group of employees or directors who make a Protected Disclosure under this Policy and also referred in this policy as complainant.
- **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- **“Policy or This Policy”** means Whistle Blower Policy.
- **“Leak of Unpublished Price Sensitive Information - UPSI”** shall mean such act / circumstance(s) by any Insider, Employee & Designated Persons or any other known or unknown person by virtue of which an UPSI is made available before its official publication or announcement or formal circulation in public domain, or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise, other than a person(s) authorized by the Board, after following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015.
- **“Designated Persons”** shall cover all employees whether contractual or otherwise, persons / entities as specified pursuant under Regulation 9(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and other connected persons as defined under Regulation 2(d) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- **Un-published 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:

- Periodical financial results of the Company;
- Intended declaration of dividends (Interim and Final);
- Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;
- Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- Changes in Key Managerial Personnel;
- Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

## **6. SCOPE**

The Whistle-blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities.

All employees and other persons who have knowledge of unpublished price sensitive information of the Company and/or its subsidiaries shall maintain confidentiality of such information. It is the duty of all concerned to notify the Company if they observe, or learn of, any unethical business conduct or illegal acts including leak or suspected leak of the Unpublished Price Sensitive Information. Trading in the shares of the Company whilst in possession of any Unpublished Price Sensitive Information, except in cases permitted by law, is an offence under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

This Policy covers reporting of malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, instances of leakage of UPSI or suspected leakage of UPSI, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

## **7. ELIGIBILITY**

The Protected Disclosures may be in relation to matters concerning the Company or any other Parag Group/Company. Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- All Employees of the Company

- Directors of the Company
- Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location;
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company;
- Customers of the Company;
- Any other person having an association with the Company.

If any employee makes a protected disclosure with respect to any instance of leak of unpublished price sensitive information under this Policy, then the same shall be investigated in accordance with the policy for procedure of inquiry in case of leak of unpublished price sensitive information, which has been formed by the Company. However, the clauses pertaining to disqualifications, accountabilities, procedure, protection, decision of this Policy shall also be applicable.

## 8. DISQUALIFICATIONS

- ☐ While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- ☐ Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- ☐ Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.
- ☐ An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company's rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company's rules and policies.

## 9. ACCOUNTABILITIES

### Whistleblowers:

- Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- Avoid anonymity when raising a concern.
- Follow the procedures prescribed in this policy for making a Disclosure.
- Co-operate with investigating authorities, maintaining full confidentiality.
- The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract

disciplinary action.

- f. A whistle blower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation.
- g. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice because if he forewarns the Subject , important evidence is likely to be destroyed.
- h. In exceptional cases, where the whistle blower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Investigation Team, he/she can make a direct appeal to the Chairman of the Company.

Investigators:

- a. Maintenance of documents pertaining to Investigation, Complaints etc.
- b. Maintenance of Register of issues.
- c. Maintain confidentiality.
- d. Acts as a secretary of ombudsperson.
- e. Conduct the enquiry in a fair, unbiased manner.
- f. Ensure complete fact-finding.
- g. Maintain strict confidentiality.
- h. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
- i. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- j. Record Investigation Team deliberations and document the final report.
- k. Provide information, documents to whistle officer regarding complaints.

10. **PROCEDURE**

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee and/or CFO of the Company for investigation.
- b. In respect of all other Protected Disclosures, those concerning employees at the levels of Vice President and above should be addressed to the Chairman of the **Audit Committee** of the Company and those concerning other employees should be addressed to the Company Secretary and Compliance Officer of the Company.

The contact details of the Chairman of the Audit Committee and CFO are as under:

**Chairman of the Audit Committee:**

Mr. Nitin Dhavalikar  
Parag Milk Foods Limited,  
10<sup>th</sup> Floor, Nirmal Building,  
Nariman Point- Mumbai- 400021, Maharashtra.

**Chief Financial Officer:**

Mr. Pritam Shah  
Parag Milk Foods Limited  
10<sup>th</sup> Floor, Nirmal Building,  
Nariman Point- Mumbai- 400021, Maharashtra.

The contact details of the Company Secretary & Compliance Officer are as under:

**Company Secretary & Compliance Officer:**

Mr. Virendra Varma  
Parag Milk Foods Limited,  
10<sup>th</sup> Floor, Nirmal Building,  
Nariman Point- Mumbai- 400021, Maharashtra.”

- c. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee/CFO or the Company Secretary, the same should be forwarded to the Company's Company Secretary, CFO or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle blower confidential.
- d. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- e. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- f. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

**11. INVESTIGATION**

- ☐ All Protected Disclosures reported under this Policy will be thoroughly investigated by the CFO / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- ☐ Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- ☐ The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- ☐ Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- ☐ Subjects shall have a duty to co-operate with Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- ☐ Subjects have a right to consult with a person or persons of their choice, other than the / Investigators and/or members of the Audit Committee. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the Allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- ☐ Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached,

threatened or intimidated by the Subjects.

- ☐ Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation
- ☐ Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- ☐ The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

## **12. PROTECTION**

- ☐ No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice adopted against whistle blowers. Complete protection will be given to whistle blowers against any unfair practices like retaliation, threat or intimidation, termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like, including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his/her duties/functions in a free and fair manner. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- ☐ A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- ☐ The identity of the Whistle blower shall be kept confidential to the extent possible and permitted under law.
- ☐ Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **13. INVESTIGATORS**

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the CFO / Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review which establishes that:
  - ☐ The alleged act constitutes an improper or unethical activity or conduct, and
  - ☐ Either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.
  - ☐ The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.



#### **14. DECISION**

If an investigation leads the Company Secretary, CFO / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, they shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

#### **15. REPORTING**

The Company Secretary and Compliance Officer/CFO shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

#### **16. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

#### **17. PLACEMENT OF THE POLICY ON WEBSITE**

Pursuant to SEBI (LODR) Regulations, 2015, this 'Policy' shall be posted on the website of the Company.

#### **18. AMENDMENT**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

#### **19. ANNUAL AFFIRMATION**

The Company shall annually affirm that it has not denied any personal access to the Audit Committee and that it has provided protection to whistle blower from adverse personal action, wherever applicable. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the company.

#### **20. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.