

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Introduction:

- 1.1 The Securities and Exchange Board of India ("SEBI") has formulated SEBI (Prohibition of Insider Trading) Regulations, 2015, which is applicable to all companies whose shares are listed on Indian stock exchanges.
- 1.2 As required under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as "**Insider Trading Regulations/ Regulations**"), the Board of Directors of Parag Milk Foods Limited has formulated the "**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**" (hereinafter referred to as "**the Code**") for adhering to the Principles of Fair Disclosure .
- 1.3 Parag Milk Foods Limited (the "Company") endeavours to preserve the confidentiality of unpublished price sensitive information ("UPSI") and to prevent communication or procurement of such information and restrict trading in securities of Company when in possession of unpublished price sensitive information and its misuse. To achieve these objectives, and in compliance with the previously mentioned Regulations, Parag Milk Foods Limited has adopted this Code.
- 1.4 This Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact the price discovery in the market for the securities of the Company .The Company is committed to transparency, fairness in dealing with all stakeholders and in ensuring adherence to all law and regulations in force

2. Definitions:

For the purpose of this code the following terms shall have the meanings assigned to them hereunder:

"Act" means the Securities and Exchange Board of India Act, 1992

"Code" or **"this Code"** shall mean this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;

"Company" means Parag Milk Foods Limited

"Chief Investor Relations Officer" means the Company Secretary & Compliance Officer or any such senior officer of the Company as designated by the Board of directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

"Insider" means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

"Generally Available Information" means information that is accessible to the public on a non-discriminatory basis such as information published on the website of the stock exchanges. "Generally Available" with respect to information shall be construed accordingly;

"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

"Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

"Unpublished Price Sensitive Information or UPSI" means any information, relating to a Company or its securities, directly or indirectly, that is not Generally Available Information 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, delisting, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel;

Other terms not specifically defined here shall have the same meaning as assigned under the Policy of Prohibition of Insider Trading of Parag Milk Foods Limited, and the Insider Trading Regulations

3. Principles of Fair Disclosure:

To adhere to the principles as mentioned in Schedule A of the Insider Trading Regulations, Parag Milk Foods Limited shall ensure the following:

1. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of UPSI to avoid selective disclosure
3. Designation of a senior officer as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.
4. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not UPSI.
7. Developing best practices to disclose on the official website of the Company transcripts or records of proceedings of quarterly earning call with analysts to ensure official confirmation and documentation of disclosures made.
8. Handling of all UPSI on a need-to-know basis.

4. Overseeing and Co-ordinating Disclosure

1. The Company Secretary and Compliance Officer shall act as a Chief Investor Relations Officer of the Company for the purpose of the Fair Disclosure Code and the Insider Trading Regulations. The Chief Investor Relations Officer shall deal with dissemination of information and disclosure of UPSI.
2. The Chief Investor Relations Officer would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to the Fair Disclosure Code as required under the Insider Trading Regulations so as to avoid selective disclosure.
3. The Chief Investor Relations Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of UPSI with adequate internal controls and checks.
4. Disclosure/dissemination of UPSI in public domain may normally be approved in advance by the Chief Investor Relations Officer. In case of doubt, they shall consult and seek approval of the Managing Director/ Executive Director(s)/the Chief Financial Officer of the Company before dissemination of such information.
5. If information is accidentally disclosed without prior approval, the person responsible may inform the Chief Investor Relations Officer immediately. The Chief Investor Relations Officer will then promptly disseminate the information so as to make such information generally available.

5. Policy for Legitimate Purposes:

The Policy is framed in terms of Regulation 3(2A) inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 notified by SEBI on 31st December, 2018, made effective from 1st April, 2019 which provides that, listed entities are required to make a policy for determination of “legitimate purposes” as part of “Code of Fair Disclosure and Conduct: formulated under regulation 8.

5.1 Communication of UPSI pursuant to Legitimate Purpose

- “Legitimate Purpose” shall include sharing of UPSI in the ordinary course of business on a need-to-know basis by an insider with designated persons, partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, credit rating agencies, bankers or such other person as may be decided by the compliance officer, provided that such sharing has not been carried out to evade or circumvent the prohibition of the Insider trading regulations.
- UPSI about the Company may also be disclosed to persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the Company’s securities on the basis of such information, and it may be treated as disclosure for legitimate purpose.
- The Company shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for legitimate purposes as defined above and for performance of duties or discharge of any legal obligations.

Appropriate Chinese wall measures are employed to safeguard confidentiality of all unpublished confidential information, to prevent any leakage of corporate inside information, intended to prevent the sharing of information that might lead to ethical or legal violations or conflict of interest, or any such misuse of information.

5.2 As per Regulation 3(2B) inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, any person in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons which would inter alia include the following:-

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

5.3 Responding to market rumours:

Mr. Devendra Shah - Whole-time Director, Mr. Pritam Shah - Managing Director and Mr. Shashikant Dalmia - Chief Financial Officer of the Company shall jointly and / or severally be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, if required

5.4 Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Research Personnel, Institutional Investors

- The Company shall provide only public information/generally available information to the analyst/research personnel/large investors like institutions. The CIRO shall ensure that information shared with them is not UPSI. The Company shall ensure that no insider information is given when answering an analyst's question. No analyst, investor or journalist should receive any selective release of inside information. The meetings held with the analyst should be made public at the earliest.
- The Chief Investor Relations Officer shall ensure that best practices are developed to disclose on the official website of the Company transcripts or records of proceedings of quarterly earning call with analysts to ensure official confirmation and documentation of disclosures made.
- The best practices shall include uploading the following information on the website of the company-
 - i) Any Power Point Presentation or similar material used by the analyst in such meeting on the website of the Company.
 - ii) Any earnings guidance or any other similar material distributed during press conference.

iii) Any material information about business plans of the company provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared.

6. Amendment

The CIRO, subject to the approval of the Board of Directors of the Company reserves the right to amend or modify the code in whole or in part, at any time, when it deems appropriate, to be in compliance with the regulations.

The Board of Directors may establish further rules and procedures, from time to time, to give effect to the intent of this Code.

7. Disclosure of the Code in Public Domain

The code shall be published on the official website of the Company.

Further, this Code and every subsequent amendment made thereto shall be intimated to the stock exchange where the securities are listed.