



Ideas for a new day

August 05, 2023

Compliance Department, <b>BSE Limited</b> , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai – 400 001	Compliance Department, <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex Bandra - (E), Mumbai – 400 051
<b>Scrip Code:- 539889</b>	<b>Scrip Symbol :- PARAGMILK</b>

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on August 05, 2023**

We wish to inform you about the outcome of the Board Meeting held on **August 05, 2023** pursuant to (i) Regulation 30 and Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”); and (ii) Regulation 8 under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board has, *inter-alia*, considered and approved the followings:

- 1) Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter ended June 30, 2023 alongwith Limited Review Reports issued thereon by the Statutory Auditors of the Company. A copy of the said results along with the Limited Review Report issued by the Statutory Auditors of the Company are enclosed herewith and will also be uploaded on the Company website i.e. [www.paragmilkfoods.com](http://www.paragmilkfoods.com).
- 2) Appointment of M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditors of the Company for FY 2023-24 and FY 2024-25. The disclosures as referred under Regulation 30 of the SEBI Listing Regulations read with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, in connection with the appointment, is additionally enclosed herewith in **Annexure 1**”.
- 3) The Board placed on record that share-based employee benefit schemes / plans are effective tools to reward the talents working exclusively with the Company, its subsidiary company for their contribution to the corporate growth, create a co-ownership, attract new talents and retain the key resources and knowledge in the organization and in this backdrop the Board, based on recommendation of the Nomination and Remuneration Committee, approved Consolidation of existing Employee Stock Option Plan 2019 (ESOP 2019) with Employee Stock Option Plan 2022 (ESOP 2022) and increase in the pool size of ESOP 2022 from existing 5,00,000 stock options to 25,00,000 stock options, subject to approval of the Shareholders and such other approvals / sanctions as may be required.



Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

Regd. Office: Flat No. 1 Plot No. 19, Nav Rajasthan Co-Op Housing Society, Behind Ratna Memorial Hospital, Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

Corporate Office: 10<sup>th</sup> floor, Nirmal building, Nariman point, Mumbai - 40021 Tel.: 022-43005555 Fax: 022-43005580

Website: [www.paragmilkfoods.com](http://www.paragmilkfoods.com) | email: [investors@paragmilkfoods.com](mailto:investors@paragmilkfoods.com)



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- 4) Amendment in the Clause 5.3 of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated by the Company so as to include only the specific designation of Managing Director, Executive Director and Chief Financial Officer. The amended Policy is enclosed herewith under **Annexure - 2**.

The meeting of the Board of Directors commenced at 10.30 a.m. and concluded at 2.55 p.m.

Requesting you to kindly take the same on records.

Thanking you.

For **Parag Milk Foods Limited**

**Virendra Varma**  
**Company Secretary and Compliance Officer**  
**FCS No. 10520**

*Encl: As above.*



## Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital, Shivaji Nagar, Pune - 411 016, Maharashtra, India

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@parag.com

### STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2023

₹ Million (except per share data)

Particulars	Quarter ended			Year Ended
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
	Unaudited	Audited (Refer note 6)	Unaudited	Audited
<b>1. Revenue from operations</b>	7,380.54	7,959.30	6,808.04	28,532.00
<b>2. Other income</b>	45.71	22.31	281.76	351.62
<b>3. Total Income</b>	<b>7,426.25</b>	<b>7,981.61</b>	<b>7,089.80</b>	<b>28,883.62</b>
<b>4. Expenses</b>				
(a) Cost of materials consumed	6,145.65	6,257.40	5,663.52	23,781.00
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(265.38)	25.20	149.19	(709.50)
(c) Employee benefits expense	236.35	229.80	196.94	882.45
(d) Finance costs	151.51	136.82	131.62	528.57
(e) Depreciation and amortisation expense	138.36	168.87	126.01	540.73
(f) Other expenses	862.91	937.09	677.46	3,188.50
<b>Total Expenses</b>	<b>7,269.40</b>	<b>7,755.18</b>	<b>6,944.74</b>	<b>28,211.75</b>
<b>5. Profit / (loss) before tax (3-4)</b>	<b>156.85</b>	<b>226.43</b>	<b>145.06</b>	<b>671.87</b>
<b>6. Tax expense</b>				
(i) Current tax (Refer note 3)	-	-	-	-
(ii) Deferred tax charge / (credit)	(26.14)	(52.42)	34.90	(13.04)
(iii) Tax adjustment in respect of earlier years	-	-	-	-
<b>7. Profit / (loss) for the period/year after tax (5-6)</b>	<b>182.99</b>	<b>278.85</b>	<b>110.16</b>	<b>684.91</b>
<b>8. Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss				
(i) Re-measurements of the defined benefit plans	(1.00)	3.79	-	3.79
(ii) Tax on above	0.25	(0.95)	-	(0.95)
<b>9. Total Comprehensive Income for the period/year (7+8) Comprising Profit and Other Comprehensive Income for the period/year</b>	<b>182.24</b>	<b>281.69</b>	<b>110.16</b>	<b>687.75</b>
Paid-up equity share capital (Face Value of Rs. 10 each)	1,172.00	1,172.00	952.00	1,172.00
Other Equity				7,009.56
<b>10. Earnings Per Equity Share (of Rs 10 each) (not annualised)</b>				
(a) Basic (Rs)	1.56	2.38	1.18	6.52
(b) Diluted (Rs)	1.53	2.31	1.15	6.34





## Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital, Shivaji Nagar, Pune - 411 016, Maharashtra, India

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@parag.com

### Notes on Unaudited Standalone Financials Results:

- 1 The unaudited standalone financial results of **Parag Milk Foods Limited** (the 'Company') for the quarter ended 30th June, 2023 are drawn up in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. These unaudited standalone financial results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meetings held on 5th August, 2023 and are available on the Company's website - <https://www.paragmilkfoods.com> and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). The above unaudited standalone financial results were reviewed by the statutory auditors of the Company and accordingly, have issued a unmodified review conclusion on the financial results.
- 2 The unaudited standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 3 No provision for current tax is required to be made for the quarter in view of certain allowances and deductions available under the Income Tax Act, 1961.
- 4 Based on guiding principles given in Ind AS 108, *Operating Segments*, the Company's business activity falls within a single operating segment, namely, 'Milk and Milk Related Products' and hence, the disclosure requirements of Ind AS 108 are not applicable.
- 5 The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on 28th September, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on 13th November, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 6 The figures for the quarter ended 31st March, 2023 as reported in the unaudited standalone financial results are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date unaudited figures upto the third quarter ended 31st December, 2022, which were subject to limited review by the statutory auditors.
- 7 Figures for the previous periods / year have been regrouped, wherever necessary.

Place: Mumbai  
Date: 5th August, 2023

  
**Pritam Shah**  
Managing Director &  
Interim Chief Financial Officer  
DIN No. 01127247



**Independent Auditor's Review Report on Quarterly Unaudited Standalone Financial Results of Parag Milk Foods Limited pursuant to the Regulation 33 read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended**

**To the Board of Directors of Parag Milk Foods Limited**

1. We have reviewed the accompanying **Unaudited Standalone Financial Results** (the 'Statement') of **Parag Milk Foods Limited** (the 'Company') for the quarter ended 30th June, 2023 and for the period from 1st April, 2023 to 30th June, 2023, being submitted by the Company pursuant to the requirements of Regulation 33 read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors on 5th August, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, *Interim Financial Reporting* prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

Edwin Paul Augustine  
Partner

Membership No.: 043385  
UDIN: 23043385BGPJSJ7148

Mumbai, 5th August, 2023



## Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,  
Shivaji Nagar, Pune - 411 016, Maharashtra, India

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@parag.com

### STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2023

₹ Million (except per share data)

Particulars	Quarter ended			Year ended
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
	Unaudited	Audited (Refer note 6)	Unaudited	Audited
<b>1. Revenue from operations</b>	7,495.86	8,009.56	6,909.34	28,926.20
<b>2. Other income</b>	61.37	91.09	311.95	451.57
<b>3. Total Income</b>	<b>7,557.23</b>	<b>8,100.65</b>	<b>7,221.29</b>	<b>29,377.77</b>
<b>4. Expenses</b>				
(a) Cost of materials consumed	6,157.62	6,288.55	5,706.21	23,952.35
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(265.35)	13.80	150.63	(720.49)
(c) Employee benefits expense	262.46	255.54	217.03	980.56
(d) Finance costs	165.53	121.90	136.84	551.56
(e) Depreciation and amortisation expense	147.65	177.41	134.86	572.75
(f) Other expenses	937.56	1,078.55	739.71	3,530.42
<b>Total Expenses</b>	<b>7,405.47</b>	<b>7,935.75</b>	<b>7,085.28</b>	<b>28,867.15</b>
<b>5. Profit before tax (3-4)</b>	<b>151.76</b>	<b>164.90</b>	<b>136.01</b>	<b>510.62</b>
<b>6. Tax expense</b>				
(i) Current tax	1.33	-	-	-
(ii) Deferred tax charge /(credit)	(63.74)	(58.62)	33.55	(21.92)
(iii) Tax adjustment in respect of earlier years	-	-	-	-
<b>7. Profit / (loss) for the period/year after tax (5-6)</b>	<b>214.17</b>	<b>223.52</b>	<b>102.46</b>	<b>532.54</b>
<b>8. Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss				
(i) Re-measurements of the defined benefit plans	(1.00)	4.53	-	4.53
(ii) Tax on above	0.25	(1.15)	-	(1.15)
<b>9. Total Comprehensive Income for the period/year (7+8) Comprising Profit and Other Comprehensive Income for the period/year</b>	<b>213.42</b>	<b>226.90</b>	<b>102.46</b>	<b>535.92</b>
Paid-up equity share capital (Face Value of Rs. 10 each)	1,172.00	1,172.00	952.00	1,172.00
Other Equity				6,907.09
<b>10. Earnings Per Equity Share (of Rs 10 each) (not annualised)</b>				
(a) Basic (Rs)	1.83	1.91	1.10	4.92
(b) Diluted (Rs)	1.78	1.86	1.07	4.82





## Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,  
Shivaji Nagar, Pune - 411 016, Maharashtra, India

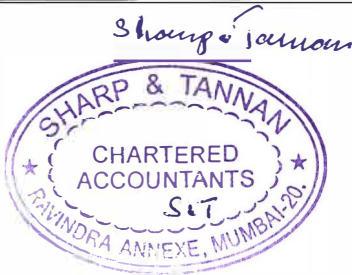
CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, E:mail id: investors@parag.com

### Notes on Unaudited Consolidated Financials Results :

- 1 The unaudited consolidated financial results of **Parag Milk Foods Limited** (the 'Company') and its subsidiary, Bhagyalaxmi Dairy Farms Private Limited (together referred to as Group) for the quarter ended 30th June, 2023 are drawn up in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. These unaudited consolidated financial results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meetings held on 5th August, 2023 and are available on the Company's website - <https://www.paragmilkfoods.com> and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). The above unaudited consolidated financial results were reviewed by the statutory auditors of the Company and accordingly, have issued an unmodified review conclusion on the above financial results.
- 2 The unaudited consolidated financial results comprise the results of Parag Milk Foods Limited (the 'Parent Company') and one subsidiary company, Bhagyalaxmi Dairy Farms Private Limited.
- 3 The unaudited consolidated financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 4 Based on guiding principles given in Ind AS 108, *Operating Segments*, the Group's business activity falls within a single operating segment, namely, 'Milk and Milk Related Products' and hence, the disclosure requirements of Ind AS 108 are not applicable.
- 5 The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on 28th September, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on 13th November, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 6 The figures for the quarter ended 31st March, 2023 as reported in the unaudited consolidated financial results are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date unaudited figures upto the third quarter ended 31st December, 2022, which were subject to limited review by the statutory auditors.
- 7 Figures for the previous periods / year have been regrouped, wherever necessary.

Place: Mumbai  
Date: 5th August, 2023

  
**Pritam Shah**  
Managing Director &  
Interim Chief Financial Officer  
DIN No. 01127247



**Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of Parag Milk Foods Limited pursuant to the Regulation 33 read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.**

**To the Board of Directors of Parag Milk Foods Limited**

1. We have reviewed the accompanying **Unaudited Consolidated Financial Results** (the 'Statement') of **Parag Milk Foods Limited** (the 'Parent') and its subsidiary (the Parent and its subsidiary together referred to as the 'Group') for the quarter ended 30<sup>th</sup> June 2023 and for the period from 1st April, 2023 to 30<sup>th</sup> June 2023, being submitted by the Parent pursuant to the requirements of Regulation 33 read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors on 5th August, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, *Interim Financial Reporting* prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the SEBI under Regulation 33(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Parag Milk Foods Limited	Parent
2	Bhagalaxmi Dairy Farms Private Limited	Subsidiary company





5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Mumbai, 5th August, 2023

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

Edwin Paul Augustine  
Partner

Membership No.: 043385  
UDIN: 23043385BGPJSK2921



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## Annexure - 1

**Disclosures as referred under Regulation 30 of the SEBI Listing Regulations, 2015 read with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023**

Sr. No.	Particulars	Description
1.	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment as Internal Auditor of the Company.
2.	Date of appointment/ resignation & term of appointment	Appointment as Internal Auditor of the Company for FY 2022-23 and FY 2023-24.
3.	Brief profile (in case of appointment)	<p>Deloitte Touche Tohmatsu India LLP (“<b>Deloitte India</b>”) has been honored to serve more than 87% of 126 Fortune Global 500 Consumer companies worldwide of all sizes and including:</p> <ul style="list-style-type: none"><li>• 34 of the 37 Automotive companies</li><li>• 24 of the 29 Consumer Products companies</li><li>• 33 of the 38 Retail, Wholesale and Distribution companies</li><li>• 18 of the 22 Transportation, Hospitality and Services companies.</li></ul> <p>Deloitte India has rich experience and credentials across the Consumer sector and their knowledge and experience spans the Agribusiness, Apparel &amp; Footwear, Food &amp; Beverage, Personal and Household goods across the entire Consumer ecosystem.</p>
4.	Disclosure of relationships between directors (in case of appointment of a director)	Not Applicable.



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## Annexure -2

### PARAG MILK FOODS LIMITED

#### 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;



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**"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.



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#### **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 31<sup>st</sup> December, 2018, made effective from 1<sup>st</sup> 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.



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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:

The Managing Director, Whole-time Directors or 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.



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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.