

CODE OF PRACTICE AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

**(Pursuant To Reg.8 (1), Chapter – IV of SEBI (Prohibition of Insider Trading)
Regulations, 2015)**

1. INTRODUCTION

Regulation 8 (1) of the SEBI (Prohibition of insider Trading) Regulations ,2015 (the "Regulations") requires a listed company to formulate and publish on its official website a Code of Practices and procedure for fair disclosure of unpublished price sensitive information(hereinafter referred as "Code") in adherence to the principles set out in schedule a to the said regulations, which was further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations,2018 (here in after called as "Regulations").

2. OBJECTIVE OF THIS CODE

This code is required for the company to ensure timely and adequate disclosure of unpublished price sensitive information (UPSI) which would impact the price of the company's securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information

3. THE PRINCIPLES OF FAIR DISCLOSURE ADOPTED BY THE COMPANY ARE AS FOLLOWS:

(I) PROMPT PUBLIC DISCLOSURE OF UPSI:

The company will make prompt public disclosure of UPSI to the stock exchange that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

(II) Uniform and Universal Dissemination of UPSI:

The company will make disclosure of UPSI on a continuous, immediate uniform basis and will be universally dissemination to avoid selective disclosure.

(III) Chief Investor Relations Officer:

The company secretary & compliance officer of the company shall be designated as chief investor relations officer. The chief investor relations officer shall oversee the corporate disclosure and deal with dissemination of information and disclosure of UPSI.



(IV) Prompt dissemination of UPSI that get disclosed inadvertently or selectively:

The company will make prompt disuse mention of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

(V) Responding to any queries on news reports and / or requests for verification of market rumors by regulatory authorities:

The chief investor relations officers shall promptly respond to any queries or request for verification of market rumors by exchanges. The company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.

(VI) Information sharing with analysts and research personnel:

- The company will ensure that information shared with analysts and research personnel is not UPSI.
- The company will make recording of proceeding & discussion of meetings with analysts and other investor relations conferences and post relevant information on the official website – www.megastafods.com to ensure official confirmation and documentation of disclosure made.

(VII) Sharing of UPSI on need-to know basis for legitimate purposes:

- The company will handle all UPSI on a need-to-know basis i.e. UPSI shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants ,shall be considered as legitimate purposes as per its “policy for determination of legitimate purpose” (refer **Annexure A**), for the purpose of sharing UPSI in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the regulations.

(VIII) Digital database:

A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the permanent account numbers or any other identifier authorizes by law where permanent account number is not available. Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non- tampering of the database.



(IX) Disclosure of code on public domain:

This code and any amendment thereof will be published on the company's website www.megastarfoods.com.

(X) Amendment of the code:

The company reserve the right to modify and or amend this codes of practices and procedure for fair disclosure of UPSI at any time, this code and any subsequent amendment (s) thereto, shall be promptly intimated to the stock exchange where the securities of the company are listed.



Annexure A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES **(Pursuant to regulations 3 (2A) of SEBI (prohibition of insider trading) (amendment)** **regulations, 2018)**

1. PREFACE

This policy, as a part of codes of practices and procedure for fair disclosure of unpublished price sensitive information formulated under regulation 8 (1) of SEBI (prohibition of insider trading) regulations 2015, will be known as policy for determination of legitimate purposes" hereinafter referred to as policy. This policy is prepared in compliance to the provisions of regulations 3(2A) of SEBI (prohibition of insider trading) (prohibition of insider trading) (amendment) regulations, 2018 effective from 1st April 2019.

2. Determination of legitimate purposes

(a) **"Legitimate purposes"** shall mean sharing of UPSI in the ordinary course of business

- (i) Statutory auditors and staff members of the audit firm, who is appointed for statutory audit.
- (ii) Internal auditors and staff members of the audit firm, who is appointed for internal audit.
- (iii) On need to know basis with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions the regulation
Secretarial auditors and staff members of the secretarial audit firm, who is appointed for secretarial audit.
- (iv) Cost auditors and staff members of the cost audit firm, who is appointed for cost audit.
- (v) Collaborators
- (vi) Lenders
- (vii) Customers
- (viii) Suppliers
- (ix) Bankers
- (x) Merchants bankers
- (xi) Legal advisors
- (xii) Insolvency professionals or other advisors or consultants
- (xiii) Any other person with whom UPSI is shared.

For Megastar Foods Limited

Director

(b) **"Insider"**-any person in receipt of UPSI pursuant to a "legitimate purposes" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons (insiders) to maintain confidentiality of such UPSI in compliance with these regulations."

This Policy is amended and approved by the Board on and effective from 30 May 2022.
