



# ***Mangalam Drugs & Organics Ltd***

***CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE  
SENSITIVE INFORMATION ("UPSI")***

***[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]***

## ***Background***

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**PIT Regulations**”) mandates every listed company to formulate and publish on its official website, a Code of *Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information* (“**Code**”).

Further Regulation 3 (2A) of the PIT Regulations mandates that listed entities shall also make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under Regulation 8.

In line with the requirements of law and to ensure compliance, the Board of Directors of Mangalam Drugs & Organics Limited (“**the Company**”) has adopted this **Code**.

### ***I. Objective:***

The Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company’s securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

### ***II. Scope:***

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

***III. Effective Date:*** This code shall be applicable with effect from April 1, 2019.

### ***IV. Definitions:***

- a. “**Insider**” shall include the following persons, in receipt of UPSI pursuant to “legitimate purpose”:
- (i) Promoters & Members of the Promoter Group of the Company;
  - (ii) Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as may be applicable);
  - (iii) Staff Members of the Audit Firm;
  - (iv) Lenders;
  - (v) Customers;
  - (vi) Suppliers;
  - (vii) Bankers;
  - (viii) Legal Advisors;
  - (ix) Consultants;
  - (x) Merchant Bankers;
  - (xi) Any other Advisors/Consultant/Partners;
  - (xii) Any other persons with whom UPSI is shared.

All the other terms used in the Policy shall have the same meaning as assigned to them under the “PIT Regulations”.

**b. Unpublished Price Sensitive Information (“UPSI”):**

**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 include but not restricted to, information relating to the following:

- (i) financial results of the Company;
- (ii) Intended declaration of dividends (Interim and Final);
- (iii) Change in capital structure;
- (iv) 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;
- (v) Changes in Key Managerial Personnel;

**Note:** Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the Rules and Regulations framed there under shall have the meanings respectively assigned to them in those legislation.

**c. “Legitimate Purpose”:**

shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business by an insider with partner(s), lender(s), customer(s), supplier(s), merchant banker(s), banker(s), legal advisor(s), auditor(s), Insolvency professional(s) or other advisor(s) or consultant(s), or any other persons identified by the Chief Investor Relation Officer (“CIO”), provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations.

**d. Chief Investor Relation Officer (“CIO”)**

shall mean the Company Secretary & Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Prohibition of Insider Trading ) Regulations, 2015.

**V. Principles of Fair Disclosure:**

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information:

- (i) Prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information generally available.
- (ii) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- (iii) The Company Secretary & Compliance officer shall be designated to act as the CIO to deal with dissemination of information and disclosure of UPSI.
- (iv) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

- (v) Queries on news reports and requests for verification of market rumors by regulatory authorities shall be appropriately and fairly responded to by the CIO, in consultation with the Board, subject to non-disclosure obligations. [Other employees of the Company are not authorized to and shall not respond to enquiries from the stock exchange, the media or any other person, unless specifically authorized to do so by the CIO.]
- (vi) Ensuring that information shared with analysts and research personnel is not UPSI. The Company shall be careful while answering to the queries of analysts. Un- anticipated questions shall be taken on notice and a considered response shall be given later.
- (vii) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website to ensure official confirmation and documentation of disclosures made.
- (viii) Handling of all UPSI on a need-to-know basis. UPSI shall be disclosed to Company officials only after a proper clarification is sought as to the purpose for which the information is needed.

**VI. Sharing of UPSI for legitimate purpose:**

The UPSI shall be shared by any person(s) authorized by the Board of Directors or CIO of the Company, only in furtherance of legitimate purpose(s) which shall include the following:

- (i) In the ordinary course of business by any Insider, Designated Person, or by any Authorized Person with existing or proposed partners, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, valuers, insolvency professionals , other advisors or consultants or business support agents, service providers, in order to avail professional services from them in relation to the subject matter of UPSI;
- (ii) Sharing the relevant UPSI with consultant, advisors engaged by the Company in relation to the subject matter of the proposed deal/assignment/tie-up/fund raising resulting to UPSI;
- (iii) Where such communication is in furtherance of performance of duty (ies);
- (iv) For discharge of legal obligation(s);
- (v) For any other genuine or reasonable purpose as may be determined by the CIO of the Company;
- (vi) Sharing the relevant UPSI with potential customers, joint ventures partners and vendors essential to fulfill the terms and conditions of business contract;
- (vii) Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new business opportunities;
- (viii) Sharing the relevant UPSI with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations");
- (ix) For any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions / restrictions as prescribed under the PIT Regulations or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

**VII. Restrictions for Sharing UPSI:**

Till the UPSI becomes generally available information, it can be shared with the Insiders only on a need-to-know basis and for legitimate purpose as provided under this Policy.

The Compliance Officer or any of the Director(s) shall issue a notice to the Insider to maintain confidentiality of UPSI shared for legitimate purpose.

The Board of Directors shall require the Insider(s) to maintain confidentiality and / or non-disclosure agreement to keep UPSI so received confidential and shall not otherwise trade in securities of the Company when in possession of UPSI.

The Insider will obtain Company's written consent, in case UPSI received by the Insider under this Policy is proposed to be used by the Insider for purpose other than the initial legitimate purpose for which the Company has provided UPSI.

**VIII. Digital Database of recipient of UPSI:**

The CIO shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared under the PIT Regulations, which shall contain the following information:

- (i) Name of such recipient of UPSI;
- (ii) Name of the organization or entity to whom the recipient represent;
- (iii) E-mail ID of such recipient;
- (iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The CIO shall also be responsible to ensure that such databases shall be maintained with adequate internal controls (as prescribed under the PIT Regulations or such other regulation(s), as may be applicable for time being in force) and checks such as time stamping and audit trails to ensure non-tampering of such database.

**IX. Amendment:**

The Board of Directors of the Company may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy, in case there is any change in applicable laws, rules & regulations.

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.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

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