



Mangalam Drugs & Organics Ltd

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and immediate Relatives of Designated Persons

(*) Amendments to Code of Conduct for Prohibition of Insider Trading is adopted by the Board of Directors of the Company at its Meeting held on February 11, 2019 and the Code is applicable w.e.f. April 1, 2019.

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Chapter 1

PRELIMINARY AND RESTRICTIONS ON INSIDER TRADING

1.1 BACKGROUND:

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) seek to govern the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Insider Trading involves trading in the securities of a company listed or proposed to be listed, by connected or any persons in possession of or with access to Unpublished Price Sensitive Information (“UPSI”) not available to the general public, who can take advantage of or benefit from such UPSI. Trading in securities by an ‘insider’ is regarded unfair when it is predicated upon utilization of ‘inside’ information to profit at the expense of other investors who do not have access to the same information.

Mangalam Drugs & Organics Limited (“MDOL”) Insider Trading - Code of Conduct was adopted by the Board. The Code of Conduct incorporates the amendments so as to align it with the amendment regulations i.e. the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019 (“**the Amendment Regulations**”).

1.2 OBJECTIVE OF THIS CODE OF CONDUCT:

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the PIT Regulations as amended by the Amendment Regulations, in order to regulate, monitor and report trading by its designated persons, immediate relatives of designated persons and connected persons towards achieving compliance with the Regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

1.3 DEFINITIONS:

- a. “**Company**” means Mangalam Drugs & Organics Limited (“MDOL”).
- b. “**Compliance Officer**” means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified in these Regulations under the overall supervision of the Board of Directors of the listed company or the head of an organization, as the case may be;

Explanation – For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.”

- c. “**Connected Person**” means:
 - a. Any person who is or has during the 6 (six) months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment

relationship or by being a Director, Officer or an Employee of the Company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.

- b. Without prejudice to the generality of the foregoing, persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
- i. an immediate relative of connected persons specified in clause (c); or
 - ii. a holding company or associate company or subsidiary company; or
 - iii. an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
 - v. an official of a stock exchange or of clearing house or corporation; or
 - vi. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - vii. a member of the board of directors or an employee, of a public financial institution as defined in Section 2 (72) of the Companies Act, 2013; or
 - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - ix. a banker of the company; or
 - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

d. ***“Dealing in Securities”*** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;

e. ***“Designated Persons”*** means:

- a. Members of the Board of Directors of MDOL;
- b. All Promoters of the MDOL;
- c. Company Secretary & Chief Financial Officer;
- d. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as may be applicable);
- e. All employees of the Accounts, Finance, Legal & Secretarial Department of MDOL at Head Office;
- f. CFOs & CEOs and CSs of the Holding Company, Subsidiary Company and Associate Company and Joint Venture (if any);
- g. Head of Legal Department and Legal Advisors;
- h. All Departmental Heads of the MDOL (For eg. Finance Head, Purchase Head, Sales Head etc);
- i. Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to UPSI relating to the Company, to be decided by the Chairman/Managing Director/Whole-Time Director/Compliance Officer/Chief Financial Officer, on a case-to-case basis;
- j. Employees upto two levels below of Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to UPSI;
- k. Immediate Relatives of the above; and
- l. Such other persons as may be identified by the Compliance Officer.

For the purpose of this definition, *“Associate Company”* as mentioned above means a company in which MDOL has a significant influence, but which is not a subsidiary company of the MDOL having such influence and includes a joint venture company.

Explanation.—For the purpose of this clause;

- (i) The expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;
- (ii) The expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

f. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.

g. **"Immediate Relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

Note: if spouse is financially independent and doesn't consult an insider while taking trading decisions, the spouse won't be exempted from the definition of immediate relative. A spouse is presumed to be an "immediate relative", unless rebutted so.

h. **"Insider"** means any person who is:

- a. Designated person(s) & their immediate relatives; or
- b. a connected person; or
- c. in possession of or having access to UPSI.

i. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

j. **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

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

l. **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

m. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and "trade" shall be construed accordingly. Gifts, Off-market transactions, creation of pledge are also construed as a trade.

n. **"Trading day"** means a day on which the recognized stock exchanges are open for trading.

o. **"Unpublished price sensitive information" ("UPSII")** shall mean any information, relating to a company or its securities, that is not generally available, whether directly or indirectly, 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 dividends (Interim and Final);
- (iii) Change in capital structure;
- (iv) mergers, me-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.

1.4 COMPLIANCE OFFICER AND ITS DUTIES:

MDOL has appointed the Company Secretary, as the Compliance Officer for the purposes of these Regulations, who shall work under the guidance of the Managing Director and/ or the Chairman and the Board of Directors. In absence of Company Secretary, Vice President- Finance is designated by the Board of Directors of the company as the Compliance Officer for the purpose of the code.

DUTIES OF THE COMPLIANCE OFFICER:

The Compliance Officer shall be responsible for:

- i. Setting forth policies in relation to the implementation of the Code of Conduct and the Regulations in consultation with the Board/Audit Committee.
- ii. Prescribing procedures for various activities referred to in the Code of Conduct and the Regulations.
- iii. Compliance with the policies and procedures referred hereinabove.
- iv. Monitoring adherence to the regulations for the preservation of UPSI.
- v. Grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- vi. Implementation of Code of Conduct under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.
- vii. The Compliance Officer shall close the trading window for such periods as he/she may deem fit in compliance with the provisions of this code and inform the Designated Persons of the same.
- viii. The Compliance Officer shall give due notice to the Insider whom UPSI has been provided for legitimate purpose to maintain confidentiality of UPSI.
- ix. The Compliance Officer shall provide to the Chairperson of the Audit Committee/Board, on a quarterly basis, the details of options exercised under ESOP and trading in securities by the Designated Persons including any violations of the Code of Conduct and SEBI (Prohibition of Insider trading) regulations, 2015.
- x. The Compliance Officer shall maintain:
 - a) Updated list of Designated Persons,
 - b) Record of disclosures and pre-clearance applications and undertakings for a period of five years.
- xi. The Compliance officer shall assist the designated persons in addressing any clarifications regarding the Regulations and this policy/code.

1.5 RESPONSIBILITY OF MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER:

The Managing Director / Chief Executive Officer of MDOL shall formulate/amend this Code with the approval of the Board of Directors of the Company to regulate, monitor and report trading by its designated persons and their Immediate relatives towards achieving compliance with "PIT Regulations", adopting the minimum standards set out in Schedule B of PIT Regulations, as may be amended from time to time, without diluting the provisions of its regulations in any manner.

1.6 APPLICABILITY OF THIS CODE:

This Code is applicable to the Designated Persons as may be specified by the Board of Directors and their immediate relatives.

1.7 COMMUNICATION OR PROCUREMENT OF UPSI:

- (1) Designated Persons and other Employees shall maintain the confidentiality of all UPSI. They shall not communicate, provide, or allow access to any UPSI, relating to the Company or Securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (2) No person shall procure or cause the communication by any insider of UPSI, relating to MDOL's securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Inducement and procurement of UPSI not in furtherance of one's legitimate duties and discharge of obligations would be illegal under this provision.

1.8 TRADING WHEN IN POSSESSION OF UPSI

Designated Persons shall not trade in Securities of MDOL that are listed or proposed to be listed, when in possession of UPSI. Such insider shall also maintain the confidentiality of all price sensitive information and shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of MDOL Securities.

When a person who has traded in MDOL's securities while in possession of UPSI, his / her trades would be presumed to have been motivated by the knowledge and awareness of such information in his / her possession. The reasons for which he/ she trades or the purposes to which he/she applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He / she traded when in possession of UPSI is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his / her innocence by demonstrating the circumstances mentioned in the PIT Regulations, failing which he / she would be held liable for violating the PIT Regulations and the Code.

Further, trading in MDOL Securities when in possession of any UPSI, the insider may prove his innocence by demonstrating the circumstances including the following: –

I. In case of Individual Insiders:

- a) the transaction is an off-market inter-se transfer between Insiders who were in possession of the same UPSI without being in breach of Regulation 3 of the PIT Regulation and both parties had made a conscious and informed trade decision.

Provided further that such off-market trades shall be reported by the insiders to the company within 2 (two) working days. The company shall notify the particulars of such trades to the Stock Exchange on which the securities are listed within 2 (two) trading days from receipt of the disclosure or from becoming aware of such information.

- b) the transaction was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of Regulation 3 of PIT Regulation and both parties had made a conscious and informed trade decision.
- c) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- d) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

II. In the case of Non-Individual Insiders:–

- a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
- b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- c) the trades were pursuant to a trading plan submitted by the insider to the CIO in accordance with Regulation 5 of PIT Regulations.

1.9 TRADING PLAN:

This provision would enable the formulation of a trading plan by an insider to enable him/her to plan for trades to be executed in future. By doing so, the possession of UPSI when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he/she had pre-decided even before the UPSI came into being:

- a. An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf with the trading plan;
- b. Such Trading plan shall not entail commencement of trading on behalf of the Insider earlier than 6 (six) months from the public disclosure of the plan;

(Note: It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary. Such a period is considered reasonably long for Unpublished Price Sensitive Information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the Insider were to be in possession of the same Unpublished Price Sensitive Information both at the time of formulation of the plan and implementation of the same.)

- c. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- d. entail trading for a period of not less than 12 (twelve) months;
- e. not entail overlap of any period for which another trading plan is already in existence;

(Note: It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an Insider to time the publication of the UPSI to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.)

- f. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and;
- g. not entail trading in securities for market abuse;

The trading plan should mention the nature of trades, the number of securities proposed to be traded, the value of securities and the specific dates on which the trade is proposed to be undertaken and the time gap between two trades.

Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. In the event of manipulative timing of the release of UPSI to ensure that trading under a trading plan becomes lucrative in circumvention of Regulation 4 being detected, it would be open to initiate proceedings for alleged breach of the applicable law for time being in force.

- h. The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan;

It is intended that the Compliance Officer would have to review and approve the plan. For doing so, he /she may need the insider to declare that he is not in possession of UPSI or that he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these regulations.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

- i. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of Regulation 4 of PIT Regulations.
- j. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's immediate relatives and any other person for whom such person takes trading decisions.

1.10 TRADING WINDOW:

- i) The "TRADING WINDOW" for the purpose of this Code shall mean the period during which dealing in Securities is permitted. The trading window shall be closed during the time the price sensitive information is un-published.

- ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in MDOL's securities in such period.
- iii) Unless otherwise specified by the Compliance Officer, the trading window shall be , *inter-alia* closed at the time of following events :
 - a. Declaration of Financial results (quarterly, half-yearly and annually);
 - b. Declaration of dividends (interim and final);
 - c. Change in capital structure;
 - d. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - e. Changes in key managerial personnel; and
 - f. Such other time as the Compliance Officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.
- iv) The Trading Window shall be opened 48 (Forty Eight) hours after the UPSI becomes generally available.
- v) The trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- vi) The trading window shall also be applicable to any person having contractual or fiduciary relation with MDOL, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising MDOL.
- vii) All Designated Person of the Company and their immediate relative(s) shall conduct all their dealings in the securities of the Company only in a valid Trading Window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when Trading Window is closed as referred above or during any other period as may be specified by the Managing Director / Compliance Officer / Chief Financial Officer from time to time.
- viii) The Compliance Officer shall intimate the closure of Trading Window to all the Designated Person(s) of the Company when he / she determines that a designated person or class of Designated Person(s) can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
- ix) The Compliance Officer after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than 48 (Forty Eight) hours after the information becomes generally available.
- x) However, subject to the SEBI Act, Rules and Regulations, in case of ESOPs (if any), exercise of options shall be allowed during the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the trading window is closed.
- xi) Creation of pledge is allowed when Trading Window is closed. However, the pledgor or pledgee may demonstrate that the creation of pledge was *bona fide* and prove their innocence under proviso to sub-regulation (1) of Regulation 4 of the Regulations.

1.11 PRE-CLEARANCE OF TRADES:

- i) All Designated Persons who intend to trade in the securities of MDOL (either in their own name or in any immediate relative's name) i.e. buy or sell or gift securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakh Only), should obtain pre-clearance for the said transactions by making an application in the format set out "**Annexure A**" attached herewith to the Compliance Officer indicating the estimated number of units of securities

that the designated person or immediate relative(s) intends to trade and also declare that the applicant is not in possession of UPSI.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However, for any subsequent sale of shares acquired under Employee Stock Options Plans / Schemes (ESOPs/ ESPS), pre-clearance shall be applicable as per limits prescribed as above.

- ii) An undertaking in "**Annexure-B**" executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall be accompanied along with Application for Pre-Clearance.
- iii) No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is not closed.
- iv) The Compliance Officer shall also determine whether any such declaration for pre-clearance is reasonably capable of being rendered inaccurate.
- v) All Designated Persons of MDOL and their immediate relatives shall execute their order in respect of securities of MDOL within 7 (seven) days after the approval of pre-clearance in "**Annexure - C**" is given. The Designated Persons shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed in the format as may be prescribed.

If the order is not executed within 7 (seven) days after the approval is given, the Designated Person /their immediate relative(s) must obtain the pre-clearance for the transaction again.

1.12 HOLDING PERIOD/CONTRA TRADE

- (i) Designated person (including their immediate relatives) who is permitted to trade shall not execute a contra trade i.e. enter into an opposite transaction during the next 6 (six) months following the prior transaction ("contra trade"). However, the restriction on contra trade shall not apply to:
 - (a) Exercise of the options under the Company's ESOPs (if any);
 - (b) Sale of shares acquired under the Company's ESOPs, provided that designated person is not in possession of UPSI at the time of sale.
- (ii) The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
- (iii) If any contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

1.13 CHINESE WALL:

To prevent the misuse of confidential information, MDOL has laid down Chinese Walls procedures which separate those areas of MDOL that routinely have access to confidential information, considered "inside areas" from those which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

- (i) The employees in the inside area shall not communicate any UPSI to anyone in public area.
- (ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.

(iii) All the UPSI is to be handled on "need to know basis", i.e., UPSI should be disclosed only to those within MDOL who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non- public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

Chapter 2

DISCLOSURES & REPORTING

2.1 INITIAL DISCLOSURE:

- (i) All the Promoters, Members of the Promoter Group, Key Managerial Personnel and Directors are required to send the details of their holdings in securities of MDOL presently held by them including the statement of holdings of immediate relative(s) in the prescribed "**Annexure-D**" (as prescribed or amended by SEBI, from time to time) within 30 (thirty) days of this Code becoming effective.
- (ii) Every person on appointment as a Key Managerial Personnel or a Director of MDOL or upon becoming a Promoter or Member of the Promoter Group shall disclose his holding of securities of the Company within 7 (seven) days of such appointment or becoming a Promoter / Key Managerial Personnel / Director inform the Company in "**Annexure-E**" (as prescribed or amended by SEBI, from time to time).

The disclosure(s) so received in a format as may be specified under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be amended, shall be maintained by the Company for a minimum period of 5 (five) years, either in physical or electronic form.

2.2 CONTINUAL DISCLOSURE:

Every Promoter, Member of Promoter Group, Designated person (including their immediate relatives) and Director of MDOL shall disclose to the Company in the format set out in "**Annexure-F**" (as prescribed or amended by SEBI, from time to time), the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakh Only) or such other value as may be specified.

The disclosure shall be made within 2 (two) trading days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

2.3 DISCLOSURE BY OTHER CONNECTED PERSONS:

The Compliance Officer at his discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of MDOL as and when he / she deems fit in order to monitor compliance with these Regulations in the format set out in "**Annexure-G**" (as prescribed or amended by SEBI, from time to time).

2.4 DISCLOSURE BY DESIGNATED PERSONS: -

One Time

The Designated person shall disclose the following information (in a format as may be prescribed by the Company Secretary & Compliance Officer), one time basis, to MDOL within 15 days from the date on which this code shall become effective:

- (i) his/her Phone, mobile and cell numbers;
- (ii) his/her Permanent Account Number or any other identifier authorized by law.

Annual Disclosure and Continual Disclosure:

The Designated person shall disclose the following information (in a format as may be prescribed by the Company Secretary & Compliance Officer), on annual basis, to MDOL within 30 days from the end of the Financial Year and on continual disclosure basis, as and when the information changes within 2 (two) working days of such change:

- (i) Name of Immediate Relatives;
- (ii) persons with whom such designated person(s) shares a Material Financial Relationship;
- (iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii);
- (iv) Phone or mobile or cell numbers of (i) & (ii);
- (v) the names of educational institutions from which designated persons have graduated and
- (vi) the names of their past employers shall also be disclosed on a one time basis.

Explanations: -“**Material Financial Relationship**” shall mean a relationship as relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

2.5 DISSEMINATION OF PRICE SENSITIVE INFORMATION:

- (i) No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- (ii) Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors, the following guidelines shall be followed while dealing with analysts and institutional investors:-
 - Only public information to be provided.
 - At least 2 (two) Company representatives be present at meetings with analysts, media persons and institutional investors.
 - Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
 - Simultaneous release of information after every such meet.

2.6 REPORTING TO THE BOARD AND MAINTENANCE OF DISCLOSURES:

- (i) The Compliance Officer shall place before the Chairman of MDOL on a quarterly basis, details of trading in MDOL Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this Code.
- (ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of 5 (Five) years.
- (iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

2.7 AMENDMENT OF THIS CODE:

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

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.

Chapter 3

PENALTIES

3.1 PENALTY FOR NON-COMPLIANCE:

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

3.2 PENALTY FOR NON- COMPLIANCE WITH THE CODE OF CONDUCT:

- i) Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her Immediate Relatives).
- ii) Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken as decided by the Board / Committee of Directors.
- iii) Designated Person who violates the Code shall be suspended from trading in securities of the Company or disciplinary actions in any other manner as may be decided by the Board or Committee thereof shall be initiated against him/her.
- iv) The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

3.3 PENALTIES FOR NON-COMPLIANCE WITH SECURITIES & EXCHANGE BOARD OF INDIA ACT, 1992:

Chapter VI A provides for various penalties, extracts of which are:

15A. *If any person, who is required under this Act or any rules or regulations made thereunder :*

- (a) *to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*
- (b) *to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*
- (c) *to maintain books of accounts or records, fails to maintain the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.*

15G. *If any insider who -*

- (i) *either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or*
- (ii) *communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or*
- (iii) *counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price sensitive information, shall be liable to a penalty twenty-five*

crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

24. (1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.

(2) If any person fails to pay the penalty imposed by the Adjudicating Officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month, but which may extend to ten years or with fine, which may extend to twenty-five crore rupees or with both.

Without prejudice to the directions under Regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the Act.



MANGALAM DRUGS & ORGANICS LTD

ANNEXURE A

Application - Cum Undertaking for Pre-Clearance of Trades

Date:

The Compliance Officer
Mangalam Drugs & Organics Limited
Rupam Building, 3rd Floor,
239, P.D'Mello Road, Near G.P.O,
Mumbai- 400001,
Maharashtra

From:
Designation:

With reference to the Code of Conduct of Mangalam Drugs & Organics Limited (MDOL) for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction in MDOL's securities for myself / as Joint Holder / my immediate relative.

Transaction (Sale/Purchase)	Type of Security	Number of Security

I hereby declare that:

- I do not have any access nor have I received or possess "Unpublished Price Sensitive Information" upto the time of signing the undertaking.
- That in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from trading in the securities of MDOL till the time such information becomes public.
- That I have not contravened the code of conduct for prevention of insider trading as notified by MDOL from time to time.
- That I have made a full and true disclosure in the matter.

Signature of the Designated Person: _____



MANGALAM DRUGS & ORGANICS LTD

ANNEXURE B

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

Date:

The Compliance Officer
Mangalam Drugs & Organics Limited
Rupam Building, 3rd Floor,
239, P.D'Mello Road, Near G.P.O,
Mumbai- 400001,
Maharashtra

From:
Designation:

Dear Sir/Madam,

I, _____, _____ (Designation) residing at _____, am desirous of dealing in _____ shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 (two) trading days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Signature: _____



MANGALAM DRUGS & ORGANICS LTD

ANNEXURE C

PRE-CLEARANCE ORDER

PCO No. _____

Date:

To,
_____ (Applicant)

This is to inform you that your request for dealing in _____ shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed within 7 days from the date of the receipt of this approval.

In case you do not execute the approved transaction /deal within 7 days of the said approval, you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed forms as per MDOL's Code of Conduct for Insider Trading. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Signature: _____
Compliance Officer

NOTE:

- 1. Please provide all the information. Incomplete forms will not be accepted.*
- 2. Please ensure that you have not made any opposite transaction within previous 6 months.*

Annexure-D

DISCLOSURE UNDER PARA 2.1 (i) OF THE INSIDER TRADING CODE OF CONDUCT

[Refer Form A as per the Regulations]

Name of the company: Mangalam Drugs & Organics Limited

ISIN of the company: INE584F01014

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP /Directors/ immediate relatives/ others etc.)	Securities held as on the date of regulation coming into force		% of Share-holding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:

Designation:

Date:

Place:

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.

Annexure-E**DISCLOSURE UNDER PARA 2.1 (ii) OF THE INSIDER TRADING CODE OF CONDUCT**

[Refer Form B as per the Regulations]

Name of the company: Mangalam Drugs & Organics Limited

ISIN of the company: INE584F01014

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a promoter of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters / KMP / Directors / immediate relatives/ others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Share-holding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	No. of Securities	
1	2	3	4	5	6

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a promoter of a listed company and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held at the time of becoming promoter / appointment of Director / KMP			Open Interest of the Option Contracts held at the time of becoming promoter / appointment of Director / KMP		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name: _____

Designation:

Date:

Place:

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.

Annexure-F

DISCLOSURE UNDER PARA 2.2 OF THE INSIDER TRADING CODE OF CONDUCT

[Refer Form C as per the Regulations]

Name of the company: Mangalam Drugs & Organics Limited

ISIN of the company: INE584F01014

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & Address with Contact nos.	Category of Person (Promoters/ KMP /Directors/ immediate relative to/ Others, etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of Intimation to company	Mode of acquisition / disposal (on market / public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures , etc.)	No. and % of share-holding	Type of security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	No. and % of share holding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2)

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:
Designation:
Date:
Place:

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.

Annexure-G

DISCLOSURE UNDER PARA 2.3 OF THE INSIDER TRADING CODE OF CONDUCT

[Refer Form D as per the Regulations]

Name of the company: Mangalam Drugs & Organics Limited

ISIN of the company: INE584F01014

Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN & Address with Contact nos. of other connected persons as identified by the company	Connection with the company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of Intimation to company	Mode of acquisition / disposal (on market / public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures , etc.)	No. and % of share-holding	Type of security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	No. and % of share holding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives of the company by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:
Designation:
Date:
Place:

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.