



CODE OF CONDUCT

(Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

For Board of Directors and Senior Management of Mangalam Drugs & Organics Limited



As per Regulation 17 of SEBI (Listing Obligation and Disclosure requirements) Regulations 2015, Board of Directors of the Company is required to have a Code of Conduct to be followed by all the Board Members and Senior Management of the Company.

For this purpose, the term “Senior Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally this would comprise all members of management one level below the Executive Directors including all functional heads. In other words Executive Directors (non Board members), Senior Vice Presidents/Vice Presidents and other functional heads will fall under the purview of this Code.

As per SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 the Board Members and the Senior Management shall affirm compliance with the Code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer. This Code will also be put on the Company’s web site.

A copy of the Code of Conduct as approved by the Board of Directors is provided hereinafter.

The Code of Conduct for Directors and Senior Management

This Code of Conduct will provide Directors and Senior Management of Mangalam Drugs & Organics Limited (the Company) general guidance on the standards of conduct expected of the Directors and Senior Management including guidelines on conflict of interests. Within the Company there are other policies/procedures, which complement or support this Code.

Board Members and Members of Senior Management will:

- Exercise the care, diligence and skill of a reasonably prudent person under comparable circumstances.
- Ensure to enhance and maintain the reputation of the Company.
- Strive to contribute toward the growth, stability and service that the Company seeks to provide to its consumers, members, stakeholders and society in general.
- Conduct themselves in a professional, courteous, and respectful manner at all times.
- Make available to and share with fellow Directors all information as may be relevant to ensure proper conduct and sound operation of the Company.

In addition to above, Board member should also ensure the following:

- i) Make reasonable efforts to attend Board and Committee meetings regularly.
- ii) Dedicate time energy and attention to the business affairs of the company and decisions relating thereto, to ensure diligent performance of his duties.
- iii) Seek to comply with all applicable laws, regulations, confidentiality, and obligations in the best interest of the company.
- iv) Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to public policy.



Compliance with Laws:

The Company's Directors and Senior Management shall comply with all the applicable provisions of laws and regulations of the countries in which the company operates. Company's Directors and Senior Management shall contact Company's legal counsel in case they have questions regarding applicable laws.

No Director or Member of Senior Management shall commit or condone an illegal act or instruct another employee, etc. to do so. Directors and other Senior Management are expected to be sufficiently familiar with any legislation that applies to their work, to recognize potential liabilities and to know when to seek legal advice.

No Director or Member of Senior Management staff shall create or condone the creation of a false record and shall not destroy or condone the destruction of a record, except in accordance with the guidelines laid down in this regard or permitted under any law of the land for the time being in force.

Conflict of Interest:

A Director or a Member of Senior Management has an actual conflict of interest when he is performing a duty or function of the position and in the performance of that duty or function has the opportunity to further his or her private interests.

There is an apparent conflict of interest when a reasonably well-informed person could perceive that a Director's or Member of Senior Management's ability to perform a duty or function of the position was or will be affected by the Directors' or Member of Senior Management's private interest.

The Company depends upon the integrity of all the Directors and Members of Senior Management who have knowledge of a decision or activity of the Company that involves or might involve a conflict of interest.

Directors and Member of Senior Management will perform their duties conscientiously. Every Director and Member of Senior Management must avoid any situation in which there is an actual or apparent conflict of interest that could interfere or could be perceived to interfere with the Director's or Member of Senior Management's judgment in making decisions in the Company's best interests.

Every Director and Member of Senior Management shall disclose all the circumstances that constitute an actual or apparent conflict of interest. These disclosures shall be made to the Board of Directors.

Outside Business Interests:

Directors and Members of Senior Management should declare their outside business interests at the time of engagement and are required to limit outside business activities to avoid any conflict of interests or breaches of any of the provision of this Code. Notwithstanding any outside business activity, Directors and Members of Senior Management are required to act in the best interests of the Company.



Confidential Information:

Directors and Members of Senior Management should at all times maintain the confidentiality of all confidential information and all records of the Company, and must not make use of or reveal such information or records except in course of the performance of their duties or unless the documents or information becomes matter of general public knowledge.

Similarly, Directors and Members of Senior Management should not use the confidential information obtained through their association or employment with the Company to further their private interests or the private interests of their relatives.

Directors and Members of Senior Management using the Company's computer data base or electronic mail system will be expected to comply with any internal policies and procedures that guide the storage, use and transmission of information through this medium.

Investment in Company's Shares:

Directors or Members of Senior Management are expected to comply with the Insider Trading Regulations of the Company and/or any other regulations/guidelines regarding investment in the Company's shares issued, from time to time, by the Securities and Exchange Board of India (SEBI).

Outside Employment:

Directors or Members of Senior Management may hold outside jobs or engage in modest self-employment activities in their own time, using their own resources, and in a manner not adversely affecting their performance in the Company.

However, no Directors or Members of Senior Management may accept work with a competitor, or with any entity that could lead to conflict of interest or a situation prejudicial to the interests of the Company.

Entertainment, Gifts and Benefits:

It is essential to the efficient business practices that all those who do business with the Company as Contractors /customers etc. have access to the Company on equal terms.

Directors or Members of Senior Management should not accept entertainment or gifts (gifts or entertainment in this clause includes cash, preferred loans, securities or secret commissions), which grant or appear to grant preferential treatment to a potential or actual contractor/customer of the Company. A business relationship with the Company will be conditional on compliance with this Code.

Similarly, no Director or Member of Senior Management may offer entertainment, gifts or benefits, in order to secure preferential treatment for the Company.

Gifts, entertainment and benefits may only be accepted or offered by a Director or Member of Senior Management in the normal exchanges common to business relationships.



Professional Development:

The Directors and Members of Senior Management will encourage and support the professional development of the employees of the Company and provide them all necessary assistance and cooperation.

Environment and Safety:

Environmental Protection is a fundamental value of the Company. Directors and members of Senior Management have a crucial role in ensuring that Company's operations comply with the environmental legislation and standards.

Safety must be everyone's concern. The Company is committed to providing all employees a safe, healthful and harassment free workplace and to ensuring safe and respectful work practices and conditions

Directors and Members of Senior Management have both a legal and a moral responsibility for the safety and the protection of the environment.

Patent and Discoveries:

Directors and Members of Senior Management are often engaged in various forms of research or problem solving for the Company. The product of their efforts produced within the scope of their employment belongs to the Company, whether the product was concluded while actually at work or not.

Such products include technical process, inventions, research methods, reports or articles, and any other form of innovation or development. Directors and Members of Senior Management shall maintain confidentiality of these kinds of knowledge/patents and will not put the same to personal use.

Use of the Company's Property:

Directors or Members of Senior Management must not misappropriate the Company's property for personal use.

Directors and Members of Senior Management are entrusted with the care, management and cost-effective use of the Company's property, including the use of Company's name, and should not make use of these resources for their own personal benefit.

Directors and Members of Senior Management should ensure that all the Company's property assigned to them is maintained in good condition and should be able to account for such property.

Directors and Members of Senior Management may not dispose of the Company's property except in accordance with the guidelines for this purpose.

Responsibility:

The Company is determined to behave, and to be perceived, as an ethical corporation. Directors and Members of Senior Management must adhere to the standards described in this Code of Conduct.

Where to Seek Clarification:

Any Director or Member of Senior Management requiring any clarification regarding this Code of Conduct may contact Company Secretary.



Code of Independent Directors

This article of the Code is for specific use of the independent directors of the Company. To the extent that Company entities outside India are required under local statutory/ legal requirements to follow separate code/standard for the independent directors, such Company entity(ies) shall document such requirements separately.

1. Duties

The independent directors of the Company shall -

- (i) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company
- (ii) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (iii) strive to attend all meetings of the Board of Directors and of the board committees of which he is a member;
- (iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (v) strive to attend the general meetings of the Company;
- (vi) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting; of a boycott or receive a request to support a boycott or to provide information related to a boycott, such Personnel shall contact their supervisor or the Compliance Officer(s).
- (vii) keep themselves well informed about the Company and the external environment in which it operates;
- (viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (ix) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (x) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(xi) report concerns about unethical behavior, actual or suspected fraud or violation of the Code or ethics policy;



(xii) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its Personnel;

(xiii) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

2. Re-appointment

The re-appointment of independent director shall be on the basis of report of performance evaluation.

3. Resignation or Removal

(i). An independent director may resign from his office by giving a notice in writing to the Company and to the Registrar of Companies in the manner and in accordance with the provisions of section 168 of the Companies Act, 2013 ("the Act").

(ii). An independent director may be removed from his office in accordance with the provisions of section 169 of the Companies Act, 2013.

4. Separate meetings

(i). The independent directors shall hold at least one meeting in a year, without the attendance of non independent directors and members of management of the Company;

(ii) All the independent directors shall strive to be present at such meeting;

(iii) Such meeting shall:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5. Performance Evaluation

(i). The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(ii). On the basis of the report of performance evaluation, it shall be determined whether to re-appoint the independent director.

6. Training Programme



The independent directors shall attend the training programme as may be organized by the Company in order to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

7. Adherence to the Applicable Laws

- (i) The independent directors shall adhere to the provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent and as may be applicable to them.
- (ii) They shall comply with the provisions of the Listing regulations signed by the Company with the Stock Exchanges.
- (iii) They shall comply with the Code of Conduct for Board of Directors and Senior Management.
- (iv) They shall comply with the Code of Business Ethics of the Company.
- (v) They shall comply with all the laws to the extent and as may be applicable to the Company.
- (vi) They shall give a declaration that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 as amended from time to time in the format as specified at the first meeting of the Board in which they participate as directors and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an independent director.
- (vii) They shall from time to time furnish to the Company such declarations, disclosures, statements as may be required to be furnished by the Directors under the relevant laws.
- (viii) An independent director shall be held liable in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in the Companies Act, 1956 or the Companies Act, 2013 and the SEBI (LODR) Regulations 2015.

Enforcement of Code of Conduct

- (1) Each Board Member and Senior Management Personnel shall be accountable for complying with the Code.
- (2) Penalty for breach of the Code by Senior Management Personnel / the Board members shall be determined by the Audit Committee of the Board of Directors.

Amendment(s) of the Code.

The Code may be amended from time to time by the approval of the Board of Directors of the Company.
