

MANGALAM DRUGS & ORGANICS LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING (AS APPROVED BY THE BOARD OF DIRECTORS)

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the 'Regulations') as amended, and the Listing Agreement entered into by a Company with the Stock Exchange(s), a Company is required to frame a "Code of Conduct for prevention of insider trading" by its employees, including its Directors, in relation to the securities of the said Company.

The Company endeavours to preserve the confidentiality of un-published price sensitive information 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.

To achieve these objectives, Mangalam Drugs & Organics Ltd. (herein after referred to as "the Company") hereby notifies that this code of conduct is to be followed by all directors, officers, designated employees and connected persons.

Terms, Definitions, its Interpretation and Scope

- Terms mentioned but not defined in this Code shall have the same meaning assigned to them in the Companies Act, 1956; SEBI Act, 1992; SEBI (Prohibition of Insider Trading) Regulations, 1992 and/or any other SEBI Regulation(s) in force for the time being and as amended from time to time.
- This Code shall be applicable to all Directors, Designated Employees, Business Associates or Other persons dealing with the Company in any other capacity having access to any Unpublished price sensitive information.
- This code can be modified/amended/alterd only by Board of Directors of the Company.

For the purposes of this Code '**Designated Employee**' shall mean and include: -

1. All Directors, Executive and Non-Executive;
2. All officers comprising top three tiers of the Company Management;
3. All employees of Corporate Affairs/Secretarial Department, Corporate Planning, Finance Department & Accounts Department.
4. Other employees, as may be designated by the Compliance Officer in consultation with the Board of Directors of the Company from time to time.
5. To whom the trading restrictions shall be applicable.

1. Compliance Officer

The Company has appointed the Company Secretary as compliance officer who shall report to the Chairman of the Company.

Duties of Compliance Officer

1. He shall maintain a record of designated employees and any changes made to the list of Connected Persons.

2. He may in consultation with the Chairman specify Restricted Period from time to time and immediately make an announcement thereof.
3. He shall maintain a record of Restricted Period specified from time to time.
4. He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of 'Price-Sensitive Information', 'pre-clearing of Designated Employees' and their dependents' trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.
5. He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.
6. He shall from time to time inform the Stock Exchanges of any price sensitive information on immediate basis.
7. He shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Chairman.
8. He shall ensure that restricted period is intimated to all concerned at least 48 hours before the commencement of the said period.

2. Preservation of "Price Sensitive Information"

Designated Employees, Directors, Officers shall maintain the confidentiality of all Price Sensitive Information. Employees/ directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following practices should be followed in this regard.

- **Need to Know**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company 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 information.

- **Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

3. Prohibition To Buy/Sell Securities of the Company by Insider

Insider when in possession of any unpublished price sensitive information pertaining to the Company, shall not:

- Buy/sell securities of the Company, either on their own behalf or on behalf of any other person.
- Communicate, counsel or procure any unpublished price sensitive information to/from any person.

4. Trading Restrictions

All directors/ officers and designated employees of the company shall be subject to trading restrictions as enumerated below: -

- **Trading Window**

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities.

The Directors, Officers and Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

The trading window shall be, inter alia, closed at the time of:-

1. Declaration of Financial results (quarterly, half-yearly and annual)
2. Declaration of dividends (interim and final)
3. Issue of securities by way of public/ rights/bonus, etc.
4. Any major expansion plans or execution of new projects
5. Amalgamation, mergers, takeovers and buy-back
6. Disposal of whole or substantially whole of the undertaking
7. Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities;
8. Commencement of any new commercial production/commercial operations where the contribution therefrom is likely to exceed 5% of the total turnover of the Company during that financial year;
9. Developments with respect to changes in pricing/realisation on goods and services arising out of changes in government policy;
10. Litigation/dispute with a material impact;
11. Revision of credit ratings assigned to any debt or equity instrument of the Company;
12. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

• **Closure of Trading Window:**

The closure of Trading Window shall commence from the date of circulation of notice and agenda for Board Meeting upto 24 hours after such information is made public.

5. Pre-clearance of trades

All Directors, Officers, Designated Employees of the company who intend to deal in the securities of the company in excess of 1000 equity shares in number shall pre-clear the transactions as per the pre-dealing procedure as described hereunder.

6.1 Pre-dealing Procedure

An application for pre-clearance of trade may be made in Form 'A' to the Compliance Officer.

An undertaking shall be executed in favour of the company by such Designated Employee, Director, Officer incorporating, inter alia, the following clauses, as may be applicable:

1. That the employee/ director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
2. That in case the Designated Employee, Director, Officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his

position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public.

3. That he or she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
4. That he or she has made a full and true disclosure in the matter

The Compliance Officer shall on receiving an application shall grant approval within 2 days from the date of submission. In the absence of the Compliance Officer, the Chairman will decide upon the pre-clearance application.

The pre-clearance approval shall be valid only for one week. If the order is not executed within one week after the approval is given fresh approval will be required.

All directors/officers /designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his or her reasons in this regard.

6. Reporting Requirements for transactions in securities

6.1 Initial Disclosures

Every Director, Officer and Designated Employee of the Company on being appointed as such shall disclose to the Company, in Form 'B', the number of shares or voting rights in the Company held by him and their dependent members within 4 working days of becoming a Director or Officer or Designated Employee of the Company.

6.2 Continual Disclosures

Every Director and Officer of the Company shall disclose to the Company, in Form 'C', the number of shares or voting rights in the Company held by him and change in his shareholding or voting rights from the last disclosure made under this Clause or under Clause 6.1, if such change exceeds **Rupees 5 Lacs in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower** or any revised limits notified by SEBI from time to time.

"Change" means a net change arrived at after taking netting off purchases and sale of securities.

The aforesaid disclosure has to be made within 2 working 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

The disclosures under this Clause shall be sent to the Compliance Officer of the Company.

6.3 Disclosure by the Company to Stock Exchanges

Within 5 days of the receipt of the information under Clause 6.1 and 6.2, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

6.4 Records of disclosures received by the Company

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.

7. Penalties for Contravention

Violation of this Code will invite severe disciplinary action. Such disciplinary action will be irrespective of action that may be taken by SEBI under the Regulations.

8. General

Employees are advised to peruse the Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Annexure - III) as amended from time to time, carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer will be available for clarification / assistance that may be necessary.

FORM A

Date : _____

Compliance Officer
Mangalam Drugs & Organics Ltd.
292, Princess Street,
2nd Floor, Near Flyover,
Mumbai – 400 002

Sub: Application for Selling before 30 days of Purchase of Security pursuant to Clause 4.1.4 of Code for Prevention of Insider Trading/Pre-clearance of the Transaction pursuant to Clause 4.1.1 of Code for Prevention of Insider Trading*

Dear Sir/Madam,

I intend to deal in the Securities of Company. Detailed particulars of Proposed Transaction are as follows:

1. Name : _____
2. Designation, Department & Employee Code : _____
3. Client Id & Details of Depository : _____
4. Name(s) of Account Holder(s)** : _____
5. Relation with Designated Employee** : _____
6. No of securities held (including those held by dependent family members) before proposed Transaction : _____
7. Nature of Proposed Transaction : _____
8. Estimated number of securities to be dealt in proposed Transaction (including by dependent family members) : _____
9. Reason for proposed Transaction : _____

You are requested to pre-clear the above transaction.

Thanking you,

(Signature)

Notes:

1. * Strike out whichever is not applicable
2. ** Applicable in case of dependent family member of Designated Employee
3. A separate statement should be attached in respect of number of Shares held by dependent family members.

Form B

Date: _____

Compliance Officer

Mangalam Drugs & Organics Ltd.
292, Princess Street,
2nd Floor, Near Flyover,
Marine Lines,
Mumbai – 400 002

Sub : Initial Disclosure/Annual Disclosure of Securities held pursuant to clause 6.1 of Code for Prevention of Insider Trading

Dear Sir/Madam,

I, hereby disclose that I am holding _____ Number of Securities of Mangalam Drugs & Organics Ltd. (including those held by dependent family members) as per following details as on _____ / _____ (date of joining)/December 31_____*:

1. Name : _____
2. Designation, Department & Employee Code : _____
3. Client Id & Details of Depository : _____
4. Name(s) of Account Holder(s)** : _____
5. Relation with Designated Employee** : _____
6. Number of securities held (including those held by dependent family members) : _____

Thanking you,

(Signature)

Notes:

1. * Strike out whichever is not applicable
2. ** Applicable in case of dependent family member of Designated Employee
3. A separate Statement should be attached in respect of number of Shares held by dependent family members.

FORM C

Date :

Compliance Officer
Mangalam Drugs & Organics Ltd.
292, Princess Street,
2nd Floor, Near Flyover,
Marine Lines,
Mumbai – 400 002

Sub : Disclosure Pursuant to Clause 6.2 of Code for Prevention of Insider Trading of Mangalam Drugs & Organics Ltd. for change in shareholding in excess of Rs. 5 lacs in market value or 25,000 shares or 2% of the total shareholding of the Company or any limit notified by SEBI, whichever is lower

Dear Sir/Madam,

I am disclosing herewith details of securities held by me (including those held by dependent family members) pursuant to Clause 6.2 of Code for Prevention of Insider Trading of Mangalam Drugs & Organics Ltd.

1. Name : _____
2. Designation, Department & Employee Code : _____
3. Client Id & Details of Depository : _____
4. Name(s) of Account Holder(s)* : _____
5. Relation with Designated Employee* : _____
6. Shareholding prior to acquisition/sale (including those held by dependent family members) : _____
7. Number and % of shares/voting rights acquired /sold : _____
8. Receipt of allotment/advice/acquisition of shares/sale of shares : _____
9. Mode of acquisition on (market Purchase/public/rights/preferential offer etc.) : _____
10. Trading member through whom the trade was executed with SEBI Registration No. of Trading Member : _____
11. Exchange on which the trade was executed : _____
12. Buy quantity : _____
13. Buy Value : _____
14. Sell quantity : _____
15. Sell Value : _____

You are requested to pre-clear the captioned transaction.

Thanking you,

(Signature)

Notes:

1. * Applicable in case of dependent family member of Designated Employee
2. A separate statement should be attached in respect of number of Shares held by dependent family members