

YUVRAAJ HYGIENE PRODUCTS LIMITED

CODE OF

INTERNAL PROCEDURES

AND

CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY
INSIDERS

(Effective from April 01, 2019)

Preamble

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992.

This Code has been made pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time and may be modified by the Board of Directors of the Company from time to time.

This Code has been designed to enhance the standards of governance and to comply with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 made effective from April 01, 2019.

1. Definitions

1.1 "Act" means the Securities and Exchange Board of India Act, 1992 as may be amended from time to time.

1.2 "Board" means the Board of Directors of the Company.

1.3 "Code" or "Code of Conduct" shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Yuvraaj Hygiene Products Limited as amended from time to time.

1.4 "Company" means Yuvraaj Hygiene Products Limited.

1.5 "Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Company.

Explanation: - Financially literate shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss, and statement of cash flows.

1.6 "Connected Person" means:

(i) Any person who is or has during the six months prior to the concerned act been associated with the 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.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

- a. an immediate relative of connected persons specified in clause (i); or
- b. a holding company or associate company or subsidiary company; or
- c. an intermediary as specified in Section 12 of the SEBI Act, 1992 or an employee or director thereof; or
- d. an investment company, trustee company, asset management company or an employee or director thereof; or
- e. an official of a stock exchange or of clearing house or corporation; or
- f. 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
- g. 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
- h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i. a banker of the Company; or
- j. a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

1.7 Designated Employee(s) / Designated Persons shall include:

- (i) every Promoter of the Company;
- (ii) every Director of the Company;
- (iii) every Key Managerial Personnel;
- (iv) every employee in the grade of Assistant General Managers and above;
- (v) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- (vi) any other employee as may be determined and informed by the Compliance Officer from time to time.

Designated employees, connected persons and any other person designated on the basis of their functional role as may be specified by the Board of Directors in consultation with Compliance Officer shall be the designated person for the purpose of this Code.

The Board of Directors or such other analogous authority shall in consultation with the Compliance Officer specify the designated persons to be covered by this Code on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include: -

- (i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
- (ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
- (iii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- (v) Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.

1.8 "Director" means a member of the Board of Directors of the Company.

1.9 "Employee" means every employee of the Company including the Directors in the employment of the Company.

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

1.11 "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;

1.12 "Insider" means any person who,

- i. a connected person; or
- ii. in possession of or having access to unpublished price sensitive information.

1.13 "Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013;

1.14 "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;

1.15 "Need to Know basis" means that Unpublished 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 the information;

1.16 "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.17 "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

1.18 "Specified Persons" means the Directors, connected persons, the insiders, the Designated Employees, Designated Persons and the promoters and immediate relatives are collectively referred to as Specified Persons.

1.19 "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

1.20 "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

1.21 "Trading Day" means a day on which the recognized stock exchanges are open for trading;

1.22 "Trading Window" means the period during which, trading in the Company's securities by insiders shall be permissible.

1.23 "Unpublished Price Sensitive Information" 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 including but not restricted to, information relating to the following:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel; and

- vi. material events in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

1.24 “Whistle Blower” means an employee who reports instance of leak of price sensitive information under this Code

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2 Role of Compliance Officer

2.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code.

3 Preservation of “Price Sensitive Information”

3.1 All information shall be handled within the Company on a need-to-know basis and no insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to Company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations.

3.2 No Person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to Company or securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

3.3 An Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which would entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the listed Company is of informed opinion that sharing of such information is in the best interests of the listed Company; or
- not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the listed Company is of informed opinion that sharing of such

information is in the best interests of the listed Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

- The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

3.4 Limited access to confidential information: Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

4 Trading when in Possession of Unpublished Price Sensitive Information:

4.1 No insider shall trade in Securities of the Company that are listed/proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Explanation- When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession;

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: -

- (i) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of these regulations.

Provided further that such off-market trades shall be reported by the insiders to the Company within two working days. Every company shall notify the particulars of

such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of these regulations.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) 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.
- (v) 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 unpublished price sensitive information 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;
- (vi) the trades were pursuant to a trading plan set up in accordance with Clause 5 of this Code.

4.2 In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

4.3 The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

5 Trading Plan

5.1 An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

5.2 Trading Plan shall:

(i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;

(ii) 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;

(iii) entail trading for a period of not less than twelve months;

(iv) not entail overlap of any period for which another trading plan is already in existence;

(v) 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

(vi) not entail trading in securities for market abuse.

5.3 The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the 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.

5.4 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date

of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

5.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

6 Trading Window and Window Closure

6.1 (i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

(ii) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.

In cases of approval of financial results of the Company, the trading restriction period is required to commence not later than end of every quarter till 48 hours after the declaration of financial results.

(iii) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period.

(iv) All Specified Persons 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 the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

(v) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

6.2 The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons 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.

6.3 The Compliance Officer after taking into account various factors including the unpublished price sensitive information 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 forty-eight hours after the information becomes generally available.

6.4 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

7 Pre-clearance of trades

7.1 All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is more than Rs. 10 Lakhs (market value) should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade.

The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- (ii) The Compliance Officer shall approve / reject pre-clearance application within four days.
- (iii) An undertaking shall be executed in favour of the Company by such (Designated Employee / Person) incorporating, inter alia, the following clauses, as may be applicable:
 - a. 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.
 - b. That in case the Designated Employee / Person has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - c. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - d. That he/she has made a full and true disclosure in the matter.
- (iv) All Specified Persons and their immediate relatives shall execute their order in respect of securities of the Company within 7 (seven) trading days after the approval of pre-clearance is given. The Specified Person shall file within 2 (two)

trading 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.

- (v) If the order is not executed within 7 (seven) trading days after the approval is given, the employee/director must pre-clear the transaction again.
- (vi) All Specified Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- (vii) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

8 Other Restrictions

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

8.2 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

8.3 The disclosures made under this Code shall be maintained for a period of five years.

9 Reporting Requirements for transactions in securities

Initial Disclosure

9.1 Every promoter/ Key Managerial Personnel /Director/Officers /Designated Employees of the Company, shall within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form.

9.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the

Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

Continual Disclosure

9.3 Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 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. Ten Lakhs.

The disclosure shall be made within 2 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.

10 Disclosure by the Company to the Stock Exchange(s)

10.1 Within two trading days of the receipt of intimation under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

10.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

11 Dissemination of Price Sensitive Information

11.1 No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

11.2 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 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.

12 Penalty for contravention of the code of conduct

12.1 Every Specified 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 dependents).

12.2 Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

12.3 Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

12.4 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.

13 Applicability of the Code to Certain Persons

13.1 The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) to sub-regulation (4) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

13.2 Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

14 Institutional Mechanism for Prevention of Insider Trading

14.1 The Chief Executive Officer, Managing Director or such other analogous person of the Company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

14.2 The Board of Directors of every listed company and the Board of Directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive

Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of this regulation.

14.3 The Audit Committee of the Company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

15 Formats for disclosures

All disclosures shall be made in such forms / formats as may be prescribed by the SEBI under the Regulations from time to time or by the Compliance Officer of the Company, if any form / format are not prescribed by the SEBI.

16 Disclaimer

This policy is only internal code of conduct and one of the measures to avoid insider trading. Every insider is required to familiarize himself with the Regulations as it will be the responsibility of each insider to ensure compliance of this code, Regulations and other related statutes fully.

17 SEBI Regulations/Statutory Provisions to Prevail

Please note that in case the SEBI Regulations or any statutory provisions are more stringent than those contained in the Code, the SEBI regulations / statutory provisions will prevail.

Adopted by Board of Directors on March 29, 2019.