

## **JYOTHY LABS LIMITED CORPORATE GOVERNANCE CODE**

### **A. PURPOSE AND FRAMEWORK**

Jyothy Labs Limited's (the "Company") philosophy is to conduct business and its dealings with all its stakeholders in compliance with law and high standards of business ethics and to exceed the statutory requirements with regard to Corporate Governance. The Company believes in continuously strengthening its principles of transparency, fairness and accountability to generate long-term value for its shareholders on a continuous and sustainable basis in harmony with the interests of all other stakeholders.

The Company recognizes that the enhancement of corporate governance is one of the most important aspects in terms of achieving the Company's goal of enhancing corporate value by deepening societal trust. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors and of senior management employees and their relationships with others in the corporate structure.

This Code is framed to ensure that the Company at all time remain in compliance with all the sections applicable to the Company under the Companies Act, 2013 and the Rules framed thereunder (the Act) and regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The Secretarial Department of the Company is under the obligation to review and update this Code on timely basis as and when there are any amendments in the Act or the Listing Regulations, as the case may be.

Explanation – For the purpose of these Code the term "Management" includes, 'Directors including Independent Directors', 'Key Managerial Personnel (KMP)' so appointed under the Act and 'Senior Management' as defined under the Listing Regulations.

## **B. BOARD STRUCTURE AND COMPOSITION**

### **B1. Board Size**

The Size of the Board of Directors of the Company shall be as per the Act, the Listing Regulations, as amended from time to time and such other laws/ regulations in force for the time being, to the extent applicable to the Company.

### **B2. Board Diversity**

The Board of Directors of the Company based on the recommendation of the Nomination, Remuneration and Compensation Committee of the Company has framed and identified certain parameters as mentioned in the Nomination and Remuneration Policy of the Company. To maintain the diversity in the Board, the Company shall observe the principles so mentioned in the Nomination and Remuneration Policy while recommending candidates for consideration of the Board to be proposed for the approval of Company's shareholders or any director nominees to be elected or appointed by the Board to fill Board vacancies.

### **B3. Mix of Executive, Non-Executive and Independent Directors**

The Board of the Company shall have an optimum combination of executive, non-executive and independent directors and shall the Company at all time shall maintain this combination in compliance with the provisions of the Act and the Listing Regulations.

## **C. ROLES AND RESPONSIBILITIES OF THE BOARD**

The primary role of the Board shall be of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board shall have fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board shall exercise its duties with care, skill and diligence, and exercises independent judgment and shall set strategic goals and seeks accountability for their fulfillment. Further, the Board shall direct and exercise appropriate control to ensure that the Company is managed in a manner that fulfills

stakeholders' aspirations and societal expectations.

The fundamental duty of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stakeholders. While discharging such obligations, the Directors may rely on the honesty and integrity of the Company's officers, employees, independent auditors and other advisors. Further, the Board members shall have free access to the Company's books/ records.

#### **D. Corporate Responsibility & ESG efforts**

The Board and the Management, who are involved and aware of the day to day affairs of the Company, shall play a vital role in assessing and understanding the Company's environmental and social risks & impacts. They shall also be responsible for understanding the potential impact and related risks of ESG issues on the Company's operating model.

The Board's role shall include:

##### **➤ Understanding ESG**

- ✓ Articulating a Statement of purpose for the corporation and measuring 'purpose' together with profitable growth
- ✓ Being aware and well-informed that sustainability/ESG has become a major, mainstream governance topic that encompasses a wide range of issues, including a company's long-term durability as a successful enterprise, climate change and other environmental risks and impacts, systemic financial stability, management of human capital, labor standards, resource management, and consumer and product safety, and consider how the company presents itself with respect to these matters
- ✓ Being educated on the key ESG issues facing the Company and be able to converse comfortably on those issues that matter or present significant risks
- ✓ Receiving regular briefings on relevant ESG matters and the Company's approach to handling them.

➤ **Implementing ESG as part of business strategy**

- ✓ Working with management to identify which ESG issues are most pertinent to the Company's business and key stakeholders and to oversee implementation of appropriate policies and processes for assessing, monitoring and managing material ESG risks and opportunities.
- ✓ Considering sustainability/ESG dimensions as an integral part of annual strategy review
- ✓ Strengthening their risk oversight role on ESG-related risks

➤ **Reporting on ESG**

The Company shall strive to adopt the ESG standards and measure its performance on an annual basis. The ESG reporting can be done in the Annual Report of the Company or separately, as the Management may decide from time to time.

**E. Consideration towards Stakeholders & Transparency**

The Board shall consider the impact of various actions and decisions on the Company's customers, employees, suppliers, government / administration, statutory authorities and other stakeholders.

**F. BOARD COMMITTEES**

**F1. Standing Committees**

The Board at all times shall have the following committees;

- a) Audit Committee
- b) Nomination, Remuneration and Compensation Committee
- c) Stakeholders' Relationship Committee
- d) Risk Management Committee
- e) Corporate Social Responsibility Committee

The Board may, from time to time, form new committees comprising of Board members/ employees of the Company as it deems appropriate. The Board may, to the fullest extent permitted by law, delegate any of its functions and responsibilities to a committee of the Board.

## **F2. Independence and Qualifications of Committee Members**

The Composition of the committees shall be as the respective terms of reference drawn in compliance with the Act, Listing Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company.

Further the Committee membership criteria shall also be subject to overall ceiling on committee membership across all public limited Companies, prescribed under Listing Regulations.

## **G. Attendance of Non-Directors at Board Meetings**

The Board may allow the attendance at Board meetings of non-Board members who are present for the purpose of making presentations, responding to questions by the directors or providing counsel on specific matters within their area of expertise.

## **H. Separate meetings of Independent Directors**

The Independent directors shall meet at least once a year, during the regularly scheduled Board meetings without the presence of executive management. One of the Independent Directors chosen by the group of Independent Directors shall act as chair of the meeting. Such meetings shall inter alia:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, considering the views of executive directors and non-executive directors;
- iii. 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.

## **I. SHAREHOLDER RELATIONS**

### **I1. Engagement with Shareholders**

The Company shall maintain an active dialogue with shareholders to ensure a diversity of perspectives are thoughtfully considered. From time to time, the management shall

designate an officer (Investor Relations officer) to engage with the investor community. When engaging in a dialogue with shareholders, the Company shall fully ensure that a substantive information disparity does not arise amongst shareholders.

## **I2. Protecting Shareholders rights and interests**

In order to protect shareholders' rights, the Company shall appropriately disclose to the shareholders all material relevant information affecting their investment decision, on a timely basis.

The Company shall also give sufficient consideration to the rights of minority shareholders. The Board members, KMPs or any officers of the Company shall not conduct any transactions that conflict or compete with the interests of the shareholders without the approval of the Board.

## **J. Compliance Calendar**

### **J1. Quarterly Compliance:**

The Company is required to comply and file necessary reports/ certificates with the Stock Exchanges within the timelines prescribed below:

<b>QUARTERLY COMPLIANCE</b>		<b>WHEN TO COMPLY</b>			
<b>REGULATION REFERENCE</b>	<b>TIMELINE</b>	<b>FOR THE QUARTER ENDED JUNE</b>	<b>FOR THE QUARTER ENDED SEPTEMBER</b>	<b>FOR THE QUARTER ENDED DECEMBER</b>	<b>FOR THE QUARTER ENDED MARCH</b>
Regulation 31 (1) (b)- Shareholding Pattern	Within 21 days from the end of the quarter	By 21-July	By 21-October	By 21-January	By 21-April
27(2)(a) - Corporate Governance Report	Within 15 days from the end of the quarter.	By 15-July	By 15-October	By 15-January	By 15-April
Regulation 33 (3) (a) - Financial Results alongwith	Within 45 days from the end of the quarter.	By 14-August	By 14-November	By 14-February	-

QUARTERLY COMPLIANCE		WHEN TO COMPLY			
REGULATION REFERENCE	TIMELINE	FOR THE QUARTER ENDED JUNE	FOR THE QUARTER ENDED SEPTEMBER	FOR THE QUARTER ENDED DECEMBER	FOR THE QUARTER ENDED MARCH
Limited review report/Auditor's report					
Reconciliation of share capital audit report	Within 30 days from the end of the quarter.	By 30-July	By 30-October	By 30-January	By 30-April
Regulation 13 (3) - Statement of Grievance Redressal Mechanism	Within 21 days from the end of the quarter.	By 21-July	By 21-October	By 21-January	By 21-April
Confirmation Certificate in the matter of Regulation 74(5)	Within 15 days from receipt of certificate from RTA	-	-	-	-

### J2. Half Yearly Compliance:

In addition to the above Quarterly Compliances, the Company is also required to comply with the below Regulations and file necessary reports/ certificates with the Stock Exchanges for the Half year ended.

HALF YEARLY COMPLIANCE		WHEN TO COMPLY	
REGULATION REFERENCE	TIMELINE	FOR THE HALF YEAR ENDED SEPTEMBER	FOR THE HALF YEAR ENDED MARCH
Regulation 23 (9) - Related Party Transactions	Within 30 days from the date of publication of financial results for each half of the financial year	-	-

### J.3 Annual Compliance:

In addition to the above Quarterly and Half yearly Compliances, the Company is also required to comply with the below Regulations and file necessary reports/ certificates and make payments to the Stock Exchanges for the financial year ended.

<b>ANNUAL COMPLIANCE</b>		<b>WHEN TO COMPLY</b>
<b>REGULATION REFERENCE</b>	<b>TIMELINE</b>	<b>FOR THE YEAR ENDED MARCH</b>
Regulation 7 (3) - Share Transfer Agent	Within 1 month of end of the financial year	By 30-April
Regulation 40 (10) - Transfer or transmission or transposition of securities	Within 1 month of end of the financial year	By 30-April
Regulation 14 - Fees and other charges to be paid to the recognized stock exchange(s)	Within 1 month of end of the financial year	By 30-April
Regulation 24A - Secretarial Compliance Report	within 60 days of the end of the financial year	By 30-May
Regulation 33 (3) (d) - Financial Results alongwith Auditor's Report: Download Regulation	Within 60 days from the end of the financial year	By 30-May
Regulation 34(1) & 36(2) – Annual Report	Not later than the day of commencement of dispatch to its shareholders and not less than 21 days before the annual general meeting	
Large Entity Disclosure – Initial	Within 30 days from the beginning of the financial year	By 30-April
Large Entity Disclosure – Incremental/ Annual	Within 45 days from the end of the financial year	By 15-May
Regulation 30 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011	Within 7 working days from the end of the financial year	-

## **K.MISCELLENEOUS**

### **K1. Limitation and amendment**

In the event of any conflict between the provisions of this Code and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such other law for the time being in force, to the extent applicable to the Company (collectively, “enactments”), the statutory provisions shall prevail over this Code. Any subsequent



amendment / modification in the enactments in this regard shall automatically apply to this Code.

## **K2. Periodic review of the Corporate Governance Code**

The Secretarial Department of the Company will review this Code on regular intervals and reserves right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever. The Code shall be disseminated on the website of the Company.

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This Code of Corporate Governance has received assent of the Board of Directors of the Company on May 18, 2021 and is applicable with immediate effect.