

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy is to conduct business and its dealings with all stakeholders in compliance with law and high standards of business ethics and to exceed the statutory requirements with regard to Corporate Governance. The Company would continue to strengthen 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 is in compliance with all the regulations stipulated by the Companies Act, 1956 and the Companies Act, 2013 as may be applicable, and Securities and Exchange Board of India (SEBI) with regard to Corporate Governance. The following together with information contained in Management Discussion and Analysis and other parts of Annual Report constitutes the Company's compliance with Corporate Governance.

BOARD OF DIRECTORS

Composition:

During the year, the Board comprised of 8 (Eight) Directors of whom 4 (Four) are Executive Directors and 4 (Four) are Non-Executive/ Independent Directors. Mr. M. P. Ramachandran is Promoter and the Chairman & Managing Director of the Company. In accordance with the provisions of Clause 49 of the Listing Agreement, not less than 50% of the Board consists of Non-Executive and Independent Directors.

The composition of the Board of Directors is as under:

Name of the Member of the Board	Director Identification Number (DIN)	Relationship with other Directors
Mr. M. P. Ramachandran	00553406	Father of Ms. M. R. Jyothy
Mr. K. Ullas Kamath	00506681	None
Ms. M. R. Jyothy	00871828	Daughter of Mr. M. P. Ramachandran
Mr. S. Raghunandan Rao	02263845	None
Mr. Nilesh B. Mehta	00199071	None
Mr. K. P. Padmakumar	00023176	None
Mr. Bipin R. Shah	00006094	None
Mr. R. Lakshminarayanan	00238887	None

Attendance of Directors at Board Meetings and Annual General Meeting:

There were four Board meetings during the financial year under review:

On May 22, 2013, August 12, 2013, October 22, 2013 and on January 28, 2014. Details of attendance of Directors are as under:

Name of Director	Number of Board Meeting attended	Last Annual General Meeting attended
Mr. M. P. Ramachandran	4	Yes
Mr. K. Ullas Kamath	4	Yes
Mr. S. Raghunandan Rao	4	Yes
Ms. M. R. Jyothy	4	Yes
Mr. Nilesh B. Mehta	4	Yes
Mr. K. P. Padmakumar	3	Yes
Mr. Bipin R. Shah	3	No
Mr. R. Lakshminarayanan	4	Yes

Board Members and their Directorships in other Public Limited Companies as on March 31, 2014:

Name of Director	Executive/Non-Executive/Independent	Directorships in other Public Limited Companies	Committee positions in other Public Limited Companies (as Chairman)
Mr. M. P. Ramachandran	Executive	5	2 (1)
Mr. K. Ullas Kamath	Executive	1	0
Mr. S. Raghunandan Rao	Executive	1	0
Ms. M. R. Jyothy	Executive	1	0
Mr. Nilesh B. Mehta	Independent	6	2(Nil)
Mr. K. P. Padmakumar	Independent	5	2(Nil)
Mr. Bipin R. Shah	Independent	3	3(2)
Mr. R. Lakshminarayanan	Independent	2	1(Nil)

Remuneration of Executive Directors:

Details of Remuneration of Executive Directors of the Company are as under:

Sr. No.	Particulars	M. P. Ramachandran	K. Ullas Kamath	M. R.Jyothy	S. Raghunandan Rao
1	Salary & Perquisites	2,16,00,000	1,80,00,000	48,00,000	3,99,71,006
2	Provident Fund	Nil	21,60,000	5,76,000	47.52,000
3	Superannuation Fund	Nil	18,00,000	4,80,000	39,60,000
4	Commission	4,29,26,038	3,60,83,602	Nil	Nil

Refer Note No. 41 of the Notes to financial Statements which is part of the Annual Report.

Non-Executive Directors' Compensation and Shareholding:

As per resolution dated 23rd May, 2012, passed by the shareholders of the Company through Postal Ballot, the members had approved compensation payable to Non-Executive and Independent Directors on the Board of the Company for an amount not exceeding 1% of the net profits of

the Company calculated in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956.

Independent Directors were paid sitting fees and commission during the year under review. During the year, the Company did not have any stock option scheme for Directors or Officers of the Company.

Details of sitting fees & commission paid to Independent Directors along with their Shareholding are as under:

Sr. No.	Name of the Directors	Sitting Fees (Rs.)	Commission (Rs.)	No. of Shares held
1	Mr. Nilesh B. Mehta	1,20,000	8,00,000	Nil
2	Mr. K. P. Padmakumar	75000	8,00,000	Nil
3	Mr. Bipin R. Shah	90,000	8,00,000	100
4	Mr. R. Lakshminarayanan	80,000	8,00,000	Nil

AUDIT COMMITTEE

The Audit Committee is duly constituted in accordance with Clause 49(II) of the Listing Agreement. Members of the Committee are: Mr. Nilesh B. Mehta (Chairman), Mr. K. P. Padmakumar, Mr. Bipin R. Shah and Mr. K. Ullas Kamath. Mr. Nilesh B. Mehta, Mr. K. P. Padmakumar and Mr. Bipin R. Shah are Independent / Non-Executive Directors and Mr. K. Ullas Kamath is the Joint Managing Director of the Company.

Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance. The Company Secretary is acting as Secretary to the Audit Committee. The Audit Committee meetings were held on May 22, 2013, August 12, 2013, October 22, 2013 and on January 28, 2014.

The attendance at these meetings was as under:

Sr. No.	Name of the Directors	No. of Meetings Attended
1	Mr. Nilesh B. Mehta	4
2	Mr. K. P. Padmakumar	3
3	Mr. Bipin R. Shah	3
4	Mr. K. Ullas Kamath	4

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and includes oversight of the Company's financial process, reviewing the

financial statements, review of significant related party transactions, adequacy of internal audit and look into such matters as mandated under the Listing Agreement as amended from time to time. The role of Audit Committee includes the discussions with internal and statutory auditors periodically about their scope of audit and adequacy of internal control systems.

In addition, the Committee also reviews the Management Discussion and Analysis of the financial condition and results of operations and in respect of unlisted subsidiary companies, the financial statements, investments made and minutes of Board Meetings.

REMUNERATION AND COMPENSATION COMMITTEE

The Remuneration Committee is duly constituted in accordance with the provisions of Clause 49 of the Stock Exchange Listing Agreement which inter alia include the following:

- (1) To design Company's policy on specific remuneration packages for Executive/ Whole-Time Directors and Key Managerial Personnel including pension rights and any other compensation payment
- (2) To determine, peruse and finalize terms and conditions including remuneration payable to Executive/Whole-Time Directors and Key Managerial Personnel of the Company from time to time

- (3) To review, amend or ratify the existing terms and conditions including remuneration payable to Executive/ Whole Time Directors and Key Managerial Personnel of the Company
- (4) To apply to Ministry of Corporate Affairs, New Delhi or any authority subordinated there under regarding their approval for payment of remuneration to Executive / Whole-Time Directors as may be required under the said Act
- (5) To consider and approve ESOP Scheme and to perform all such acts, deeds and functions including, but not limited to, the matters specified in clause 5 of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and matters incidental/ supplementary thereto
- (6) To recommend to the Board of Directors their decisions and further actions as they may deem fit.

Members of the Committee are: Mr. Nilesh B. Mehta (Chairman), Mr. K. P. Padmakumar & Mr. Bipin R. Shah. All the members are Independent / Non-Executive Directors.

The Remuneration committee held two meetings on May 22, 2013 and January 28, 2014 and all the members attended the meeting.

SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

Shareholders & Investors Grievance Committee of the Company inter-alia reviews and considers the report of Link Intime India Private Limited regarding number of various types of complaints / requests received, handled and balances, if any. Members of the Committee are: Mr. Nilesh B. Mehta (Chairman), Mr. Bipin R. Shah and Mr. M. P. Ramachandran. The Committee meetings were held on May 22, 2013, August 12, 2013, October 22, 2013 and on January 28, 2014.

The attendance at these meetings was as under:

Sr. No.	Name of the Directors	No. of Meetings Attended
1	Mr. Nilesh B. Mehta	4
2	Mr. Bipin R. Shah	3
3	Mr. M. P. Ramachandran	4

Mr. M. L. Bansal, Company Secretary is the Compliance Officer.

During the financial year, the Company received 66 complaints and 66 were disposed off. The Company does not have any complaint, unattended/ unresolved at the closure of the year under review. All complaints/ queries were generally disposed of within one week of receipt of the complaint/ query.

DEPOSITORY ESCROW ACCOUNT

As on March 31, 2014, 400 Equity Shares belonging to 4 applicants were lying in Depository Escrow Account.

Aggregate number of shareholders in Suspense account lying at the beginning of the year	11
Aggregate number of outstanding shares in Suspense account lying at the beginning of the year	1100
Number of shareholders who approached for transfer of shares from Suspense account during the year	7
Number of Shareholders to whom shares were transferred from Suspense account during the year	7
Number of Shares transferred from Suspense account during the year	700
Aggregate number of shareholders whose shares are lying in Suspense account at the end of the year	4
Aggregate number of outstanding shares in Suspense account lying at the end of the year	400
Aggregate number of applicants in the IPO Refund Account at the end of the year	6
Aggregate amount in IPO Refund Account lying at the end of the year (Rs.)	96,600

The Company officials have made several efforts for communicating with investors appearing in Escrow Account and IPO Refund Account.

GENERAL BODY MEETING

Annual General Meetings

Last three Annual General Meetings of the Company were held at the venue and time as under:

Year	Date of Annual General Meeting	Time of Meeting	Number of Special Resolutions passed	Venue
2012-13	August 12, 2013	10.30 a.m.	4	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001
2011-12	August 14, 2012	10.30 a.m.	2	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001
2010-11	September 20, 2011	11.00 a.m.	4	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001

All special resolutions at the above Annual General Meetings were passed by show of hands.

Extra –Ordinary General Meeting

Year	Date of Extra-Ordinary General Meeting	Time of Meeting	Number of Special Resolutions passed	Venue
2013-14	November 19, 2013	11.00 a.m.	1	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001

Court Convened Meeting

Year	Date of the Meeting	Time of Meeting	Number of Special Resolutions passed	Venue
2012-13	November 22, 2012	4.00 p.m.	1	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai – 400001

Special resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

(a) Mr. M. P. Ramachandran

Mr. M. P. Ramachandran, aged 67 years, as Promoter and as First Director, has been associated with the Company from the date of its incorporation. He holds a postgraduate degree in

Financial Management from University of Mumbai and began his career as an accountant in 1971 in Mumbai. He set up the Jyothy Laboratories business in 1983 and has steered the Company to its present level. He possesses rich experience of over 40 years in sales, production and general management. In 2003 and 2004, he was nominated by The Economics Times for “Entrepreneur of the Year Award”.

Mr. Ramachandran has agreed for his re-appointment without any monthly remuneration. The Board had placed on record its deep appreciation for his dedication, commitment and generous gesture towards the Company.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Jyothy Consumer Products Marketing Limited	Director
Jyothy Fabricare Services Limited	Managing Director
Sivasakthi Ayurvedic Research Centre Limited	Director
Wonderla Holidays Limited	Director
Sahyadri Agencies Limited	Additional Director

(b) Mr. K. Ullas Kamath

Mr. K. Ullas Kamath, aged 51 years, is a qualified Chartered Accountant and Company Secretary and holds a Bachelor's degree in Law and Master's degree in Commerce. He has participated in Advanced Management Programme at Wharton Business School and Harvard Business School at USA. He is presently pursuing Global Management Program at London School of Economics, London, UK. He is winner of All India CA Business Achievers Award 2008 instituted by ICAI, India.

Mr. Kamath has been associated with the Company since its incorporation and has been on the Board since 1997. He is currently Joint Managing Director and Chief Financial Officer of the Company. He has made a great contribution in bringing the Company to this stage. His responsibilities include business development, new projects, financial management and formulation of strategies for growth of the Company.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Jyothy Fabricare services Limited	Director
V Guard Industries Limited	Director

(c) Mr. S. Raghunandan

Mr. S. Raghunandan, aged 49 years, is Whole-time Director and Chief Executive Officer of the Company w.e.f. May 23, 2012.

He is MBA from Indian Institute of Management, Kolkata and Chemical Engineering graduate from BITS, Pilani. He has over twenty four years of experience in FMCG industry.

He has worked in various leadership roles in companies like Unilever and Dabur, and was the Managing Director of Reckitt Benckiser (India) Limited before taking over as Chief Executive Officer of Jyothy Laboratories Limited. Earlier to Reckitt

Benckiser he was the Managing Director and Chief Executive Officer of Paras Pharmaceutical (A Reckitt Benckiser Company), which has strong presence in Personal Care & Health Care business.

Mr. Raghunandan has a proven track record in leadership roles and was instrumental in turnaround of Paras Pharma business in a record period of 3 years and that company was subsequently acquired by FMCG major Reckitt Benckiser for Rs.32.6 billion which was termed as a blockbuster deal in FMCG Space.

Prior to Paras, he was the Chief Executive Officer of Dabur International business based at Dubai and has also handled Indian Operations of Dabur as Vice President -Sales.

He has adequate experience in professionalizing family run businesses in all earlier assignments and has contributed in areas of Strategy, Sales & Marketing, Channel Management, Mergers & Acquisition and Change Management.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Jyothy Consumer Products Marketing Limited	Director

(d) Ms. M. R. Jyothy

Ms. M. R. Jyothy, aged 36 years, holds a Bachelor's degree in Commerce from the University of Mumbai and MBA from Wellingker's Institute of Management and Research, Mumbai. She has undertaken a course in Family Managed Business Administration from S. P. Jain Institute of Management, Mumbai. She has also done 'Owner / President Management Programme' from Harvard University, USA. She has been on the Board of the Company and is a Whole-Time Director of the Company since October 2005. Her responsibilities include marketing and brand communication.

Name of Companies	Nature of Interest
Sahyadri Agencies Limited	Director

(e) Mr. Nilesh B. Mehta

Mr. Nilesh B. Mehta, aged 52 years, has rich experience in the field of financial services like investment banking, venture capital/ private equity and corporate strategy. He is currently setting up US \$ 100 M Access India Fund to invest in mid market, unlisted opportunities in India. Access has already

made 2 investments by now.

Mr. Mehta managed Aureos Capital's India business as co head and Managing Partner from 2005 to May 2010. Aureos raised US \$ 100 M India Opportunities Fund to invest in mid market opportunities in India. The Investors in the fund include some Development Financial Institutions of Europe, Insurance companies, commercial banks and family offices. The Fund made 5 investments of expansion capital nature and achieved 2 exits during his tenure.

From 2000 to 2005, Mr. Mehta has been General Partner of eIndia Venture Fund/ Infinity II, here he led four IT-related investments in India/ US.

Prior to this, he spent 16 years in investment banking, private equity and fund-related activities, occupying positions as managing director of Meghraj Financial Services (India) Ltd (MFSI) and executive director of Anagram Finance Ltd. At MFSI, he led several private equity transactions and mergers and acquisitions of mid cap Indian companies.

He is a Member of the Institute of Chartered Accountants of India, and holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, where he also taught Finance and Control Systems as a visiting faculty for few years. He is also a member of the Board of few public and private companies, and is one of the founder trustees of Aavishkaar Micro venture Fund.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Panchmahal Steel Limited	Director
Suashish Diamonds Limited	Director
Bhavita Foundation	Director
Nobel Hygiene Limited	Director
Sterling Addlife India Limited	Director
Vikalpa Financial & Management Services Pvt. Ltd.	Director
Access Asset Managers Pvt. Ltd.	Director
Access Trusteeship Company Pvt. Ltd.	Director
Aavishkar Venture Trustees Pvt. Ltd.	Director
J K Shah Education Pvt. Ltd.	Director
Jyothy Consumer Products Marketing Limited	Director

(f) Mr. K. P. Padmakumar

Mr. K. P. Padmakumar, aged 70 years, is a Non-Executive, Independent Director of the Company since June 2007. A banker with nearly 42 years of experience in India and abroad in Commercial Banking, Treasury Management, Capital Markets and Mutual Funds, is a Graduate in Agriculture and a Certified Associate of Indian Institute of Bankers CAIIB. During his long 27 years of service in State Bank of India, he had handled many operational assignments including Treasury Managership of State Bank of India's Bahrain Offshore Banking Unit and that of Fund Manager of State Bank of India Mutual Fund. He was Chairman of The Federal Bank Ltd for 6 years from 1999 to 2005 and was instrumental in the transformation of that Bank as a tech savvy vibrant Bank with commanding presence in the Indian Banking Universe.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Muthoot Vehicle & Asset Finance Limited	Director
Muthoot Securities Limited	Director
Muthoot Commodities Limited	Director
Jyothy Fabricare Services Limited	Director
Jyothy Consumer Products Marketing Limited	Director

(g) Mr. Bipin R. Shah

Mr. Bipin R. Shah, aged 81 years, is a Non-Executive, Independent Director of the Company since June 2007. He is a B.Com from Bombay University and a member of The Institute of Chartered Accountants of India. In 1956, he joined Hindustan Lever (subsidiary of Unilever) as Management Trainee. From 1958 to 1978 he held various Senior Commercial Assignments in Hindustan Lever Ltd., including Commercial Manager at its largest soaps, detergents and foods factory in Bombay, Chief Buyer Raw Materials and Head of Foods Business.

He became a Director of Hindustan Lever Ltd. in 1979. In that capacity he was responsible for Foods, Animal Feeds, Agri Products and Exports Businesses. In that capacity he was responsible for a very commendable turnaround of the company's dairy business.

In 1981, he was assigned the additional responsibility of being Chairman of another Unilever subsidiary Lipton India Ltd., which was facing considerable losses and financial crisis. Mr. Shah managed not only to turn around the Company but also to restore the confidence of the shareholders and employees. Under his stewardship Lipton India grew into a more diversified

and profitable foods company with edible fats, dairy products and animal feeds which were added to the original tea business. As a result, the profitability of the company improved substantially and the share price of Lipton India which was quoted below its par value of Rs.10/- in 1981 rose to be over Rs.400/- by 1992 when he retired from its Chairmanship.

In addition to Lipton responsibilities, Mr. Shah was also Chairman of Export Business of four Unilever Companies in India viz., Hindustan Lever Ltd., Lipton India Ltd, Brooke Bond India Ltd and Ponds India Ltd.

In 1989 he attended Senior Executive Programme conducted by Sloan School of Business, Massachusetts Institute of Technology at Boston, USA.

On his retirement from the Lever Group of Companies in 1992, he joined Indus Venture Management Ltd. where he was the Vice Chairman until May, 2006.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Dolphin offshore Enterprises (India) Limited	Chairman
Kotak Mahindra Asset Management Co. Limited	Director
Dolphin Offshore Shipping Limited	Chairman
Global Pharmatech Private Limited	Director

(h) Mr. Ramakrishnan Lakshminarayanan

Mr. Ramakrishnan Lakshminarayanan, aged 58 years, was appointed as Independent Director on the Board w.e.f. May 23, 2012.

He is an alumnus of The Indian Institute of Technology, Delhi where he did 'Master of Science in Industrial Chemistry'. Thereafter, he passed out of The Indian Institute of Management Bangalore with a specialization in Marketing. Being a National Talent Scholar throughout school and college helped him to complete his educational most entirely on scholarships.

He started his career in 1979 with Hindustan Unilever in Retail Sales and learnt Sales & Territory Management and also Brand Management in Detergents, Toilet Soaps and Edible Oils. Then he spent 3 years with International Best Foods in New Product Development and Brand Portfolio Management across Packaged Foods, Desserts and Soft Drink Concentrates.

He also worked with Smith Kline Beecham, Bangalore heading their OTC and Vitamins Range and was responsible for moving several brands from Ethical to the OTC markets.

In 1988, he joined Ogilvy & Mather Direct as the National Account Director and soon was promoted to head their Chennai Office. In 18 months he turned around loss-making operations into profitable one with young and highly motivated team. The Chennai office was recognized as the Best Office throughout the network in 1990.

In 1992, he moved to Mudra Communications as the Chief Operating Officer supervising 5 Southern offices. From then he has been responsible for building a series of businesses across Out-of-Home; Interactive & Digital; Direct Response; Activation and Health & Wellness, in addition to expanding the South business to over Rs.1000 million. He also took Mudra outside India including a joint-venture in Sri Lanka.

Over 15 years, he has built businesses with a top line of over Rs. 5000 million with attractive margins. He has put together a strong management team of over 500 people.

He also led a team of sales out-sourcing professionals that numbered over 2000 and worked with clients like Motorola, HP, Pepsi and Unilever.

He had been on the Executive Board of Mudra from 1996 and was titled Executive Director and Chief Executive Officer of Mudra Marketing Services when he left in October 2008.

He has worked across numerous categories of FMCG and Durables and Services and Corporates and is equally familiar with Global as well as Regional brands. He has always been passionate about people development and training and represented India on the DDB Global University.

He is a frequent teacher at the IIM Bangalore, MICA, BIM, TAPMI and several other Institutes. He considers himself a life-long student of Marketing, Sales and Advertising and is a keen reader. His areas of interest include Business Strategy, Brand Strategy, Media Plural Communications and Portfolio management.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Jyothy Fabricare Services Limited	Director
Jyothy Consumer Products Marketing Limited	Director

DISCLOSURES

- (i) No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc., that may have potential conflict with the interests of the Company. The Register of Contracts/ Statement of Related Party transactions are placed before the Audit Committee/ Board regularly for their review/ approval, with a confirmation that those contracts were in the ordinary course of business and on arm's length basis. Transactions with related parties are disclosed in Note No. 32 to the financial statements in the Annual Report.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets from December 19, 2007 (date of Listing of the Company's equity shares) to March 31, 2014.
- (iii) Company has fully complied with Mandatory requirements of Clause 49 of the Listing Agreement. As regards, non-mandatory requirements, the Company has adopted Whistle Blower Policy and the same is posted on the website of the Company. No personnel have been denied access to the Ombudsperson.

RISK MANAGEMENT

The Company has laid down procedures and appraised the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

CODE OF CONDUCT

The Board has adopted the code of conduct for all its Directors and Senior Management which has been displayed on the Company's website www.jyothylaboratories.com.

MEANS OF COMMUNICATION

The Company publishes its Quarterly and Annual results in requisite newspapers. The said results are also available at the website of the Company. During the year, the Company has released official news of the Company as well as presentation was also made to institutional investor/ analysts and the same are available on website of the Company.

CEO / CFO CERTIFICATE

A certificate was obtained from the Managing Director, Joint Managing Director and Chief Financial Officer (CFO) and Whole-time Director and Chief Executive officer in terms of Clause 49(V) of the Listing Agreement.

GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting** of the Company will be held on August 13, 2014 at 10.30 a.m. at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400001
- b) **The Financial year covered by this Annual Report:** April 1, 2013 to March 31, 2014.
- c) **Date of Book Closure Dates:** From 7th August, 2014 to 13th August, 2014.
- d) **Dividend Payment:** After August 13, 2014.
- e) **Listing on Stock Exchanges and Stock Codes:**
 - Bombay Stock Exchange Limited - 532926
 - National Stock Exchange of India Limited - JYOTHYLAB
- f) **Dematerialization:** ISIN Number **INE668F01031**
- g) **Registrars & Share Transfer Agents:**

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L. B. S. Marg,
Bhandup (West), Mumbai 400078,
Phone: 0091 022 25946970, Fax: 0091 022 25946969
E-mail: rnt.helpdesk@linkintime.co.in
- h) **Share Transfer System:**

Transfers are registered and returned within a period of 30 days from the date of receipt. The requests for dematerialization of shares are confirmed within 15 days from the date of receipt.

i) Stock Market Price for the year:

Month	BSE Market Price (Rs.)		NSE Market Price (Rs.)	
	High	Low	High	Low
April 2013	179.85	150.25	179.95	149.35
May 2013	205.45	165.25	205.90	166.10
June 2013	211.00	177.00	210.85	177.05
July 2013	191.00	158.55	191.50	158.55
August 2013	175.00	142.50	173.90	141.20
September 2013	172.00	142.55	175.00	142.10
October 2013	200.55	167.20	200.95	166.80
November 2013	197.95	171.40	199.30	171.10
December 2013	220.60	179.40	220.65	182.20
January 2014	223.10	186.75	231.30	185.15
February 2014	222.45	192.55	223.00	192.40
March 2014	210.05	188.00	210.00	187.10

j) Shareholding Pattern as on March 31, 2014:

Category	No. of Shares	Percent
1 Promoter and Promoter Group	12,08,81,401	66.78
2 Institutions		
Mutual Funds	87,09,316	4.82
Financial Institutions / Banks	23,705	0.01
Insurance Companies	68,07,880	3.76
Foreign Institutional Investors	2,77,98,234	15.36
3 Non-Institutions		
Bodies Corporate	59,28,128	3.27
Individuals	98,71,521	5.45
Non Resident Indians(Repat & NonRepat)	5,45,235	0.30
Office Bearers	1,370	0.00
Clearing Member	2,42,227	0.13
Directors & their Relatives	1,99,988	0.11
Trusts	14,491	0.01
TOTAL	18,10,23,496	100.00

k) Distribution of Shareholding as on March 31, 2014:

Sr. No	Slab of shareholding		Shareholders		Shares Value	
	No. of Equity shares held		Numbers	In %	Face Value (Rs.)	In %
	From	To				
1.	1	5,000	82,540	99.6655	91,53,444	5.0565
2.	5,001	10,000	101	0.1220	7,44,738	0.4114
3.	10,001	20,000	57	0.0688	8,10,063	0.4475
4.	20,001	30,000	16	0.0193	4,05,280	0.2239
5.	30,001	40,000	10	0.0121	3,45,590	0.1909
6.	40,001	50,000	6	0.0072	2,82,652	0.1561
7.	50,001	1,00,000	19	0.0229	14,57,004	0.8049
8.	1,00,001	& Above	68	0.0822	16,78,24,725	92.7088
TOTAL			82,817	100.0000	18,10,23,496	100.0000

l) Share Price (Rs.) in comparison with BSE Sensex:



m) Dematerialization:

As on March 31, 2014, out of total of 18,10,23,496 Shares, 18,01,17,563 (99.50%) shares are held in dematerialized form and the balance 9,05,933 shares are held in Physical Form.

n) **Outstanding GDRs / ADRs / Warrants or any convertible instruments:** There has been no issue of GDRs / ADRs / Warrants or any convertible instruments.

o) **Plant Locations:** Manufacturing Plants of the Company are situated at following places:-

- PLOT NO.656, NEW LIGHT HOUSE MORE, BISHNUPUR, DIST.: BANKURA -722122, WESTBENGAL.
- E.P.I.P COMPLEX, AIDC- AMINGAON, GUWAHATI - 781 031, ASSAM.
- VILLAGE: KATHA, P.O.: BADDI, DIST.: SOLAN - 173205, HIMACHAL PRADESH.
- LANE NO 2, PHASE NO 2, SIDCO INDUSTRIAL COMPLEX, BARI BARHMANA, DIST.: SAMBA (Jammu) - 180001, JAMMU& KASHMIR.
- KANDANASSERY, VIA-ARIYANNUR, GURUVAYUR- 680101, DIST. : TRICHUR , KERALA
- 131 PERALAM MAIN ROAD, P.O.: THIRUNALLAR , DIST.: KARAICKAL - 609607, PONDICHERRY.
- SHED NO.25/26, IDA KOTHUR, DIST.: MEHBOOB NAGAR - 509228, ANDHRA PRADESH.
- Plot No 201, SECTOR I, PITHAMPUR INDUSTRIAL AREA, DIST. DHAR - 454775, MADHYA PRADESH.
- R.S. No 12/1 & 2, UJALA NAGAR INDL. ESTATE, UJALA ROAD, THETHAMPAKKAM, VAI VAZHUDAVUR, P.O.: SUTHUKENY - 605502, PONDICHERRY.
- SF NO. 111/5, SRI SAKTHI FACTORY, MOOLAPILLAYAR KOIL STREET, VILLAGE: PALLAPATTI, KANDAMPATTY, SALEM - 636005, TAMILNADU.
- SURVEY NO. 910/7/1, DOKMARDI, AMLI, SILVASSA - 396230, DADRA & NAGAR HAVELI.
- PLOT NO. 6,7& 8, BEARING KHASARA Nos. 361,366& 370, KIE INDUSTRIAL ESTATE, VILLAGE : MUNDIYAKI- 247667, UTTARAKHAND.
- MP IV/ 101 B, P.O.: KOLAGAPPARA, SULTHAN BATHERY- 673591, KERALA.

p) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to Company's Registrars and Share Transfer Agents at the following address:

Link Intime India Private Limited
Unit: Jyothy Laboratories Limited
C-13 Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400078,
Phone: 0091 022 25946970, Fax: 0091 022 25946969
E-mail: rnt.helpdesk@linkintime.co.in
Contact Person: Mr. Manohar Shirwadkar

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2014.

For [Jyothy Laboratories Limited](#)

M. P. Ramachandran
Chairman & Managing Director

Mumbai,
May 22, 2014.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Jyothy laboratories Limited

We have examined the compliance of conditions of corporate governance by Jyothy Laboratories Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W

per **Vikram Mehta**
Partner
Membership No.: 105938

Place: Mumbai
Date : May 22, 2014