

**CODE OF CONDUCT  
FOR  
REGULATING, MONITORING AND REPORTING  
OF  
TRADING BY INSIDERS  
OF  
JYOTHY LABORATORIES LIMITED**

**Author of this Document:** Secretarial Department

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## 1. Introduction

The Securities and Exchange Board of India (SEBI) vide SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "**the Regulations**") mandates every listed company to frame a "Code of Conduct" to regulate, monitor and report trading by its Insiders towards achieving compliance with the Regulations by adopting minimum standards set out in Schedule B to the Regulations without diluting provisions of the Regulations in any manner.

In order to comply with the mandatory requirement of Regulation 9 of the aforesaid Regulations, **JYOTHY LABORATORIES LIMITED** (hereinafter referred to as "**the Company**") has framed this Code of Conduct to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information by any person.

Every Promoter(s), Director(s), Officer(s), Insider(s) and Connected Person(s) of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. None of the above referred persons shall use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating or counselling others with respect to the securities of the Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.

To achieve these objectives, the Company hereby notifies this Code of Conduct which shall be followed by all the Promoter(s), Director(s), Officer(s), Insider(s) and Connected Person(s) of the Company.

## 2. Definitions

As used in this Code, the following expressions shall, unless repugnant to the meaning or context thereof, have the following meanings:

**2.1 "Act"** means the Securities and Exchange Board of India Act, 1992.

**2.2 "Board"** means Board of Directors of the Company.

**2.3 "Code"** means this code of conduct for regulating, monitoring and reporting of trading by insiders of JYOTHY LABORATORIES LIMITED and any modifications and amendments made thereto from time to time.

**2.4 "Chief Investor Relations Officer" or CIRO** means the officer appointed by the Board as such in accordance with the Regulations.

**2.5 "Compliance Officer"** means the Company Secretary of the Company or such other senior officer as may be appointed by the Board of Directors of the Company in terms of the Regulations and shall be financially literate and capable of appreciating requirements for legal and regulatory compliance under these Regulations.

**2.6 “Connected Person”** means, -

(i) any person who is or has during the six months prior to the concerned act has been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in a 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 (i)
- (b) A holding company or associate company or subsidiary company; or
- (c) An intermediary as specified in Section 12 of the Act 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 mutual fund or a member of the board of directors of the asset management company of a mutual fund or 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 SEBI; 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 immediately relative or banker of the Company, has more than ten percent of the holding or interest.

**2.7 “Designated Persons”** shall include:

- (a) Individual Promoters;
- (b) Directors;
- (c) Key Managerial Personnel as defined under Section 203 of the Companies act, 2013;
- (d) All employees designated as Heads of a Function, Presidents, Vice Presidents, General Managers and Deputy General Managers of the Company;
- (e) All employees of Accounts, Finance and Secretarial Department; and
- (f) Other employees of the Company or group company as may be designated from time to time for the purpose of this code by the Compliance Officer.

**2.8 "Director"** means a director for the time being of the Company.

**2.9 "Employee"** means every employee for the time being of the Company.

**2.10 “ESOP”** means Employee Stock Options/benefits as may be granted to any of the employee of the Company or holding/subsidiary company from time to time in accordance with SEBI (Share Based Employee Benefits) Regulations, 2015.

**2.11 “Generally available information”** means information that is accessible to the public on non-discriminatory basis.

**2.12 “Immediate relative”** means a spouse of a person, and includes parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

**2.13 “Insider”** means any person who is  
a) a connected person; or  
b) in possession of or having access to Unpublished Price Sensitive information (UPSI).

**2.14 “Officer”** means and includes Key Managerial Personnel and any employee of the Company in accordance with whose directions or instructions the Board or any one or more of the Directors is or are accustomed to act, including an auditor of the Company.

**2.15 “Perpetual Insider is the person who is deemed to be perpetually in possession of UPSI and** shall include Promoter(s) and Promoter Group (including artificial person), Directors, Key Managerial Personnels and person designated as Heads of any functions, Presidents or Vice Presidents and their Immediate Relatives.

**2.16 “Promoter”** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

**2.17 “Regulations”** means SEBI (Prohibitions of Insider Trading) Regulations, 2015.

**2.18 “SEBI”** means Securities and Exchange Board of India.

**2.19 “Securities”** means the securities of the Company which are listed on recognised stock exchanges and includes rights & interests thereof.

**2.20 “Stock Exchanges”** means the recognised stock exchanges where securities of the Company are listed.

**2.21 “Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities and trade shall be construed accordingly.

**2.22 “Trading day”** means a day on which the recognised stock exchanges are open for trading.

**2.23 “Trading Window”** shall have the meaning ascribed thereto in Paragraph 5 of this Code.

**2.24 “Unpublished price sensitive information” or “UPSI”** means any information, relating to the 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 be, including but not restricted to, the information relating to the following:

- i) Financial results;
- ii) Dividends;
- iii) Change in capital structure;

- iv) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v) Changes in key managerial personnel; and
- vi) Material events in accordance with the listing agreement.

## **2.25 Interpretation**

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the masculine gender shall include the feminine gender and vice versa.
- (c) Words and expressions used in this Code but not defined herein shall have the meanings respectively assigned to them under the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and Rules and Regulations made thereunder.
- (e) The Annexures form an integral part of this Code.

## **3. Compliances:**

**3.1** CIRO shall be responsible for monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information and for Continuance disclosure of Price Sensitive Information.

**3.2** Compliance Officer shall under the overall supervision of the Board be responsible for:

- (i) Compliance of policies and procedures;
- (ii) maintenance of records;
- (iii) monitoring of trades; and
- (iv) implementation of this Code.

**3.3.** The Compliance Officer shall make best endeavours to ensure compliance with, and effective implementation of, the Regulations and this Code by Designated Persons.

**3.4** The Compliance Officer shall place before the Chairman of the Audit Committee on a quarterly basis, all the details of the dealing(s) in the Securities by Designated Persons and Immediate relatives and the accompanying documents that such persons had executed in accordance with the pre-dealing procedure prescribed under this Code.

**3.5 For the removal of any doubts it is reiterated that The Company or Compliance Officer shall not in any way be responsible or liable and the concerned Insider alone shall be responsible and liable for any violation or contravention of the Regulations or any laws in this regard.**

#### **4. Preservation of "Unpublished Price Sensitive Information" ("UPSI")**

**4.1** No insider shall communicate, provide or allow access to any UPSI relating to the Company or its securities to any person including other insiders except where such communication is in furtherance of legitimate purposes, performances of duties or discharge of legal obligation.

**4.2** Notwithstanding anything mentioned in 4.1 above an UPSI may be communicated, provided allowed access to or procured, in connection with a transaction that would :-

- (i) entail an obligation to make an open offer under the Takeover Regulations where the Board is of informed opinion that the proposed transaction is in the best interest of the Company;
- (ii) not attract the obligation to make an open offer under Takeover Regulations but where the Board is of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitutes UPSI 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 may determine.

**4.3** For purposes of 4.2 above, the Board 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 purpose of 4.2 above and shall not otherwise trade in securities of the Company when in possession of UPSI.

**4.4** All information shall be handled within the organisation on a need-to-know basis. UPSI shall not be communicated to any person including employees of the Company unless such information is needed in furtherance of legitimate purposes or to discharge or perform their duties and responsibilities.

**4.5** A Designated Person, who is reasonably expected to have access to UPSI or has had access to such information shall ensure that:

- (i) files containing such information are kept secure;
- (ii) computer files have adequate security of login through a password; and
- (iii) follow the guidelines for maintenance of electronic records and systems as prescribed by the Compliance Officer from time to time in consultation with the person in charge of the information technology function.

**4.6** No Insider shall trade in securities of the Company when in possession of UPSI.

#### **5. Trading Window**

**5.1** The Compliance Officer may in consultation with the Board, specify a trading period (hereinafter referred to as "the Trading Window") for Dealing in the Securities of the Company.

**5.2** The Trading Window for dealing in the Securities shall be closed at the time of-

- i) Financial results;
- ii) Dividends;
- iii) Change in capital structure;
- iv) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v) Changes in key managerial personnel; and
- vi) Material events in accordance with the listing agreement.

5.3 The Trading Window shall be closed when the Compliance officer determines that a Designated person or class of Designated Persons can reasonably be expected to have possession of UPSI.

In any case the Trading Window shall remain closed from the first calendar day succeeding the last day of any financial period for which financial results are required to be announced by the Company till the end of forty eight hours after such financial results become generally available.

The Trading Window shall remain closed from 7 days before the date of the board meeting at which the other UPSI is due to be considered till the end of forty eight hours after the information becomes generally available.

5.4 All the Designated Persons shall conduct, and cause their immediate relatives to conduct, their Dealings in the Securities only when the Trading Window is open after obtaining necessary pre-clearance approval in terms of paragraph 7 of this code.

5.5 No Designated Person or Immediate Relative shall deal in any transaction involving the purchase or sale of the Securities during the periods when the Trading Window is closed, as referred to in sub-paragraph 5.2 above, or during any other similar period as may be specified by the Compliance Officer from time-to-time.

5.6 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

5.7 The Designated Persons who participate in the Company's employee stock option plan ("ESOP"), if any, shall not sell the Securities allotted to them on exercise of their ESOPs when the Trading Window is closed PROVIDED HOWEVER THAT the exercise of such ESOPs by them shall be permitted when the Trading Window is closed.

## **6. Trading Plans:**

**6.1** A Perpetual Insider shall be entitled to formulate a trading plan 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.

**Note:** *This provision intends to give an option to persons who may be perpetually in possession of UPSI (i.e a Perpetual Insider) and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by a Perpetual Insider to enable him to plan for trades to be executed in future. By doing so, the possession of UPSI when a trade under a trading plan is actually executed would not*



*prohibit the execution of such trades that he had pre-decided even before the UPSI came into being.*

**6.2** Such trading plan shall:

- i. Not entail commencement of trading on behalf of the Perpetual Insider earlier than six months from the public disclosure of the plan;
- ii. Not entail trading if the Perpetual Insider were to be in possession of the same UPSI both at the time of formulation of the trading plan and implementation of the same i. e. the UPSI at the time of formulation of trading plan remain as UPSI even at the time of implementation of trading plan.
- iii. 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;
- iv. Entail trading for a period of not less than twelve months;
- v. Not entail trading during period when Trading Window is closed;
- vi. Not entail overlap of any period for which another trading plan is already in existence;
- vii. 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
- viii. Not entail trading in securities for market abuse.

**6.3** The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. Before granting approval the Compliance Officer may insist that the Perpetual Insider declares that he is not in possession of UPSI or that he would ensure that any UPSI in his possession becomes generally available before he commences executing his trades under the plan.

**6.4** The trading plan once approved shall be irrevocable and Perpetual Insider shall mandatorily have to implement the plan, without any deviation.

**6.5** The trading plan shall not be commenced if an UPSI in possession of the Perpetual Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation of the trading plan.

**6.6** The Compliance Officer shall notify the plan to the Stock Exchanges.

## **7. Pre-Clearance of dealing in Securities**

### **7.1 Applicability**

In case a Designated Person and/ or his Immediate relative, intends to Deal in the Securities of the Company in a calendar quarter **above the threshold limit of Rs. 5,00,000/- (Five Lac) (transaction value)** then the Designated Person shall obtain a *pre-dealing* approval for the proposed transaction as per the pre-dealing procedure prescribed hereunder.

### **7.2 Pre-dealing Procedure**

**7.2.1** The concerned Designated Person shall, for the purpose of obtaining a pre-dealing approval, make an application in the form specified in Annexure 5 hereto to the Compliance Officer, who shall forward a copy of the same to the Managing Director.

No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the trading window is not closed.

**7.2.2** Such application should be complete and correct in all respects and should be accompanied by (i) an undertaking in the form specified in Annexure 6 hereto; and (ii) such other documents as may be prescribed by the Compliance Officer from time-to-time.

**7.2.3** The application for pre-dealing approval with enclosures shall be sent by the Designated Person through electronic mail to the address [secretarial@jyothy.com](mailto:secretarial@jyothy.com) followed by hard copies of the same.

### **7.3 Approval**

**7.3.1** The Compliance Officer shall consider the application made as per paragraph 7.2 above and shall convey his approval / rejection to the same through electronic mail and forward a copy of the same to the Managing Director.

**7.3.2** Every such approval shall be issued in the form specified in Annexure 7 hereto. Every approval shall be dated and shall be valid for a period of 1 (one) week from the date of approval.

**7.3.3** The Compliance Officer shall convey his decision to the concerned Designated Person within 3 working days of receipt of the application. Failure by the Compliance Officer to respond within the above stipulated period shall be deemed to be a rejection of the application. In such case, the Designated Persons must apply to the Compliance Officer for pre clearance of the transaction covered under the said approval once again.

**7.3.4** In the absence of the Compliance Officer, the Board may delegate performance of the duties and responsibilities referred to in this paragraph as it may deem appropriate.

### **7.4 Completion of Pre-Cleared Dealing**

**7.4.1** All Designated Persons shall complete execution of the pre-cleared deal in respect of the Securities not later than 1 (one) week from the date of the approval and file the details of such deal, with the Compliance Officer within 2 working days thereof.

**7.4.2** If a deal is not executed within 1 (one) week as above, the Designated Persons must apply to the Compliance Officer for pre clearance of the transaction covered under the said approval once again.

## **8. Holding Period**

**8.1** Any Designated Person and his/ her Immediate Relatives who buy or sell any number of shares of the Company shall not execute a contra trade i.e. an opposite transaction to sell or buy any number of securities during the next six months (183 days) following to prior transaction. This restriction of contra trade shall also be applicable in case of securities acquired under ESOP and in case of transactions and holdings of Immediate Relatives of a Designated Person. *This restriction about the Holding period shall survive for six months (183 days) of cessation of the status of Designation Person or his/ her Immediate Relative or of date of prior transaction whichever is earlier.*

**8.2** In case the sale of Securities is necessitated by personal emergency, the holding period referred to above may be waived by the Compliance Officer on application by the designated person in the form specified in Annexure 9 heretoafter recording reasons in this regard. It may however, be noted that in terms of the Regulations, no such sale will be permitted when the Trading Window is closed.

**8.3** In case a contra trade is executed, inadvertently or otherwise, in violation of this Code, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Education and Protection Fund.

## **9. Reporting Requirements**

**9.1** Every Promoter, Key Managerial Personnel and Director of the Company shall disclose his holding of securities of the Company in the form specified in Annexure 1 hereto as on the date of these regulations taking effect, to the Compliance Officer within thirty days of these regulations taking effect;

**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, in the form specified in Annexure 2 hereto to the Compliance Officer within seven days of such appointment or becoming a Promoter.

**9.3** The disclosures as specified in 9.1 and 9.2 above shall be made even if holdings on the relevant date are 'NIL'.

**9.4** Every Promoter, Employee and Director of the Company shall disclose to the Compliance officer in the form specified in Annexure 3 hereto the number of 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 ten lakh rupees and every subsequent trade in that calendar quarter;

**9.5** The Compliance officer shall notify the particulars of such trading referred to in 9.4 above to the stock exchanges within two trading days of receipt of the disclosure or from becoming aware of such information.

9.6. The Company may, at its discretion require any other Connected person or class of Connected persons to make disclosures of holdings and trading in securities of the Company in the form specified in Annexure 4 hereto at such frequency as may be determined by the Company in order to monitor compliance with these Regulations.

9.7 Every Designated person shall disclose his holding of securities of the Company as on March 31<sup>st</sup> of every year by April 15 in the form specified in Annexure 10 hereto to Compliance Officer.

9.8 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. 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 the purpose of this Code.

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

## **10. Penalty for contravention of Code of Conduct**

**10.1** Every Designated Person, to whom this Code is applicable, shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Immediate Relatives).

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

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

**10.4** The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **11 Intimation to SEBI in case of violation of Regulations**

In case it is observed by the Company / Compliance Officer that there has been a violation of the Regulations, SEBI shall be intimated accordingly.

## **12. Clarifications**

For all queries concerning this Code, the Designated Persons may please contact the Compliance Officer. The decision of **Compliance Officer** shall be final and binding.

## **13. Amendments**

The Board may, at any time, modify, alter and amend the provisions of this Code by giving notice of such modification, alteration and amendment to the Promoters, Directors, Officers and Designated Persons.

#### **14. Disclaimer**

This Code is the internal policy of the Company to prevent the Insiders from Trading in Securities of the Company. However, it is primarily the responsibility of every Insider to ensure compliance with the provisions of the Regulations and other related laws. The Company or Compliance Officer shall not in any way be responsible or liable and the concerned Insider alone shall be responsible and liable for any violation or contravention of the Regulations or any laws in this regard.