

CODE OF FAIR PRACTISES OF DISCLOSURE OF UPSI

Introduction:

Aether Industries Limited (referred to as 'Company') is mainly engaged in business of manufacturing basic cum specialty chemicals along with research and development activities.

Company values integrity, commitment, standards and ethics and also believes that such principles and standards govern the behavior of the Company and its' employees. High moral and ethics are always essential for long term achievements and vision of the Company.

Preamble:

The Company strives to ensure high professional and ethical standards in all the business activities in the best interest of the Company. This Code intends to formulate a standard framework for fair disclosure of Unpublished Price Sensitive Information (UPSI), preserve the confidentiality of UPSI and to prevent trading based on UPSI.

This Code shall be applicable and binding on all the employees, directors and such other persons authorized to speak on behalf of the Company. Pursuant to the notification of SEBI (Prohibition of Insider Trading) (Amendment) Regulations.

Words and expressions used but not defined in this Fair Disclosure Code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be including amendments(s)/ modification(s) thereto.

Principles of Fair Disclosure:

The Company in compliance of SEBI PIT Regulations shall follow the practices and procedures laid down herein below to make fair disclosure of events and occurrence that could impact price discovery of its Equity Shares on the floor of Stock Exchanges:

1. The Company shall ensure to make Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

2. The Company shall ensure to make Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary / Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall make Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall develop and follow best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis s i.e. UPSI may be disclosed where such disclosure is in furtherance of legitimate purposes, discharge of legal obligations or 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 such information.

In line with Regulations 3 of SEBI PIT Regulations and any modification(s)/ amendment(s) thereto, Policy for determination of legitimate purposes is as under:

1. "Legitimate purpose" shall mean Sharing of unpublished price sensitive information in the course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI PIT Regulations.
2. Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an "insider" for purposes of the SEBI PIT Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations. Such person is also required to ensure the confidentiality of Unpublished Price Sensitive Information shared with him / her, in compliance with the SEBI PIT Regulations.
3. Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion acquisition in the stake of other entities, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their

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respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

4. A structured digital database shall be maintained containing the names of such persons or entities, as the case may be, with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to secure such database. Documents containing confidential information shall be kept secured. Computer files must have adequate security login and password, etc.

In case there are any regulatory changes requiring modifications to this Policy, the same shall be reviewed and amended with the approval of the Board of Directors. However, the amendment in the regulatory requirements shall be binding on the Company and prevail over this Policy even if not incorporated in this Policy.

Role of Compliance Officer:

- i. The Board has appointed the Company secretary of the Company as the Compliance Officer, who shall report to the chairperson of the Company.
- ii. The Compliance Officer shall at quarterly intervals prepare a report on insider trading to the Chairman of the Audit Committee or the Chairman of the Board.
- iii. The Compliance Officer shall maintain a database of the violations of Code of Conduct by Designated Persons and immediate relatives of Designated Persons.
- iv. The Compliance Officer shall assist all Employees in addressing any clarifications regarding the Insider Trading Regulations and the Code.
- v. To assist the Board in identifying the Designated Persons to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

Dissemination of Price Sensitive Information:

- i. No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of Securities of the Company.
- ii. Disclosure or dissemination of Unpublished Price Sensitive Information with special reference to analysts, media persons and institutional investors:

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The following guidelines shall be followed while dealing with analysts and institutional investors:

- a) Only public information to be provided.
- b.) At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- c.) Unanticipated questions may be taken on notice and a considered response given later. If the answer includes Unpublished Price Sensitive Information, a public announcement should be made before responding.
- d.) Simultaneous release of information after every such meeting.
- e.) Where disclosure of Unpublished Price Sensitive Information is required to be made to any person in the course of a transaction, such disclosure shall be made on a "need to know" basis. Any such disclosure shall be made in accordance with the Insider Trading Regulations.

The following process shall be followed in bringing persons to whom Unpublished Price Sensitive Information is disclosed as 'insiders':

- a) All such persons shall be required to enter into agreements to contract confidentiality and non-disclosure obligations, in accordance with regulation 3(4) of the Insider Trading Regulations;
- b) The Compliance Officer shall explain to all such persons the obligations and consequences of breach of obligations set out in the Insider Trading Regulations.
- c) The Compliance Officer shall maintain a list of all persons brought in as 'insiders' pursuant to this Code.

Penalty for Contravention of the Code of Conduct:

- i.) Every Designated 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).
- ii.) Any Designated Person who trades in securities or communicates any information for trading in Securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- iii.) Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in employee stock option plans, etc.

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- iv.) The action by the Company shall not preclude the Securities and Exchange Board of India from taking any action in case of violation of the Insider Trading Regulations.
- v.) In case of the Board becoming aware of any violation by the Designated Person and immediate relatives of Designated Persons of the Insider Trading Regulation, the Board shall promptly inform the Securities and Exchange Board of India (“**SEBI**”) of such violation in the format prescribed by SEBI.

Disclosure:

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed and also published on the official website of the Company.

Policy Review and Amendments:

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.