

RELATED PARTY TRANSACTION POLICY

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:

With the Recommendation of the Audit Committee and approval of the Board, the 'Related Party Transaction Policy' is adopted by the Board to ensure the proper identification, approval, monitoring and reporting of transactions between the Company and its Related Parties. Such transactions (to be referred herein as 'RPT') are generally in the ordinary course of the business and at the arm's length price. Though, transaction with such related parties which are not in the course of ordinary course of the business and not at arm's length price shall also be covered under the Policy.

Applicability:

This Policy is in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other applicable law as and when applicable.

Herein, "Related Party Transaction" means such transactions as specified under Section 188 of the Companies Act, 2013 or rules made thereunder and the SEBI LODR, 2015 including any amendment or modification thereof, as may be applicable.

"Material Related Party Transaction" means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

"Ordinary course of business" would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per Memorandum & Articles of Association.

Identification of 'Related Parties' and 'Related Party Transactions':

At the beginning of the every financial year, a declaration will be opted from every Directors, KMPs and other Related Parties within the meaning of Section 2(76), 184 and 189 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR), 2015.

Apart from the above, such declaration will also be opted from above parties at the time of any change immediately.

The Company will take the note of the above declarations.

The Committee / Board will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party's interest in the Related Party Transaction. Committee / Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

Approval of transaction:

Audit Committee:

All Related Party Transactions entered into shall be subject to prior approval of the Audit Committee (unless it is exempted pursuant to the provisions of the listing agreement as amended). The approval of the Audit Committee can be granted by way of a Circular Resolution as well. However, the Audit Committee may grant an 'Omnibus Approval' for RPT proposed to be entered into by the Company subject to the conditions provided under the Companies Act, 2013 and the SEBI (LODR), 2015.

The Committee shall overlook the certain points while considering the proposals of such transactions i.e. Arm's length price, fairness, rationale for the transaction, likely impact of the transaction on the Party and the Company, Conflict of Interest, etc.

Board:

Along with the approval from the Audit Committee, approval of the Board shall be required where RPTs that are not in the ordinary course of business or not on arm's length basis. Any member of the Board who has an interest in such RPT will recuse him or herself and abstain from participating and voting on the approval of such RPT.

Shareholders:

All the Material RPTs shall require approval of the shareholders through an Ordinary Resolution (unless it is exempted pursuant to the provisions of the Act or the SEBI LODR) and no Related Party shall vote to approve such Resolution(s).

The transactions which fall under Section 188 of the Act which are not in the Ordinary Course of business and / or not an arms' length basis and which crosses the threshold limits prescribed under the rules made

thereunder, shall require approval of the Shareholders through Ordinary Resolution, and only the Related Parties with whom transactions are being entered into, shall abstain from voting on such resolution(s).

Statutory Disclosures:

Details of all the material RPTs shall be disclosed to the Stock-Exchanges along with other mandatory details as per the SEBI LODR.

Such RPTs shall also be placed on the web-site of the Company and the web-link of the same to be provided in the Annual Report.

The Board shall disclose Related Party Transactions in its Report to Shareholders of the Company.

Amendments:

The Board shall have the power to review and amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy as and when they feel required.