



CODE ON
PROHIBITION OF
INSIDER TRADING

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CODE ON PROHIBITION OF INSIDER TRADING

1. Purpose

This Code of Conduct on Prohibition of Insider Trading has been adopted by Aarti Surfactants Limited (hereinafter referred to as the "Company") to ensure compliance of legal requirements. Securities and Exchange Board of India [SEBI] on January 15, 2015 issued SEBI (Prohibition of Insider Trading) Regulations, 2015 and has further amended the said Regulations vide notifications dated December 31, 2018 and January 21, 2019. In view of the foregoing, the Company has formulated this Code as a part of Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting by Designated Persons and their Immediate Relatives.

2. Scope

The scope of this Code of Conduct applies to Unpublished Price-sensitive Information pertaining to the Company.

3. Basic Principles

The duties under relevant laws, in particular the transparency obligations, are intended to prevent any information advantage for individual market participants and are thereby expected to ensure at all times the best possible transparency and the development of prices of the Company's financial instruments or securities traded on the stock exchange. Thus, both the capital markets as institutions as well as the individual investors are protected in terms of their investment decisions.

4. Definitions:

"Connected person" means,-

- i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in 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 UPSI 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 clause (i); or
 - (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 a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is 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

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- (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

NOTE: *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information. In case of connected persons the onus of establishing that they were not in possession of UPSI is on connected persons.*

“Contra Trade” means a trade or transaction which involves buying or selling any number of shares of the Company and within 6 months trading or transacting in an opposite transaction involving sell or buy following the prior transaction.

“Designated Person” mean

¹ Inserted w.e.f April 01, 2019

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- i. Promoters, Directors & Key Managerial Personnel of the Company ;
- ii. Plant Heads, , Marketing Team Head , Persons from Corporate Secretarial and Finance/Accounts Team, Human Resource Head, if any;
- iii. Persons specified in (i) & (ii) of Holding Company, Subsidiary, Associate Company if any.

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

NOTE: *It is intended that the immediate relatives of a “connected person” too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.*

“Insider” means any person who is ,

- i. a connected person; or
- ii. in possession of or having access to UPSI.
- iii. ¹any person in receipt of UPSI pursuant to legitimate purpose

“Insider trading” means –

- i. Means an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, or deal in any securities or trade by any director or Key Managerial Personnel or any other officer of the Company either as Principal or agent if such director or Key Managerial Personnel or any other officer of the Company or connected person or any person, is reasonably expected to have access to any non – public price sensitive information in respect of Company or its securities: or

- ii. An Act of counselling about procuring or communicating directly or indirectly any un – published price – sensitive information to any person.

2“**Material financial relationship**” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person, but shall exclude relationships in which the payment is based on arm’s length transactions.

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

“Unpublished Price Sensitive Information (UPSI)” means any information, relating to a 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 including but not restricted to, information relating to the following:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting’s, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel; and
- vi. ~~³material events in accordance with the listing agreement~~

Any term not defined in this Code shall have same meaning as per SEBI (Prohibition of

Insider Trading) Regulations, 2015 as amended from time to time.

² Inserted by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (w.e.f. April 01, 2019)

³ Omitted w.e.f. April 01, 2019 which earlier read as follows: “(vi) material events in accordance with the listing agreement”

[PART I]

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY ITS ⁴[DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS]

PROHIBITION OF INSIDER TRADING OR DEALING

Elements of Prohibition:

Insider trading or trading in the securities is prohibited by law for all employees, directors and all persons worldwide having access to UPSI of the Company whether directly or indirectly. This prohibition includes Communicating / disclosing, procuring, trading, and the giving of recommendations.

- A) Prohibition on Communication / disclosing:** No Insider shall communicate/discard or allow access to UPSI/ Insider information to any persons.
- B) Prohibition on Procurement:** No person shall procure UPSI/ Inside information from any Insider.

The above (A) & (B) shall be allowed for the furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to adequate notice of confidentiality is given.

- C) Prohibition on Trading:** No insider shall trade in securities of the Company when in possession of UPSI. Trading is prohibited from own's account or from the account or on behalf of a third party. He is also not allowed to trade/ advise tips/recommend on securities of other public companies on the basis of the UPSI gained by him during the course of employment with the Company.
- D) Prohibition on Recommendation: No insider shall recommend/ provide**

advice/ tips to any third party on trading in Company's securities while in possession of UPSI.

An Insider who ceased to be associated with Company shall not trade in the Company's Securities for six months from the date of cessation.

COMPLIANCE OFFICER

- a) The Compliance Officer shall report to the board of directors of the Company and shall provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by the board of directors of the Company, ⁵[but not less than once in a year.]
- b) The Compliance Officer shall be responsible for administering the code and assist all the persons in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's code of conduct.
- c) The Regulations recognize the concept of **Trading Plans**. Any Insider /Designated Person(s) intending to formulate a Trading Plan shall consult the Compliance Officer to discuss the applicable rules and procedure.

HANDLING OF UNPUBLISHED INFORMATION (UPSI)

- a) Insider shall maintain the **confidentiality of all Unpublished Price-sensitive Information.**
- b) UPSI to be handled on **Need to know basis means** that UPSI must be disclosed only to those within or outside the Company who need the information to discharge their duty.

⁴ Substituted for the words "employees and other connected persons" w.e.f. April 01, 2019

⁵ Inserted w.e.f. April 01, 2019

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- c) Files containing confidential information shall be kept secure. Computer files must have **adequate security of login and pass word etc.**
- d) **Chinese Wall** : To prevent the misuse of UPSI, the Company has adopted a “Chinese Wall” policy which separates those departments which routinely have access to UPSI, considered —inside areas from those departments which deal with sale/marketing or other departments providing support services, considered public areas. Only in exceptional circumstances, Employees from the public areas are brought over the wall and given UPSI on the basis of —need to know with the approval of the Chief Financial Officer/ MD/CEO.

TRADING WINDOW

- a) Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading restriction period ⁶[shall] be applicable from the end of every quarter till 48 hours after the declaration of financial results.
- b) The trading window shall be closed on account of various factors including UPSI /when the compliance officer determines that a designated person or class of designated persons or their immediate relative can reasonably be expected to have possession of UPSI.
- c) The time for commencement of trading window shall be determined by Compliance officer in consultation with Managing Director. Notification in respect of the same shall be sent to designated persons. The trading window shall, inter –

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- alia, be closed till 48 (forty-eight) hours after the information becomes generally available.
- d) Trading window restriction mentioned in clause (a) above shall not apply in case of –
- ✓ Transaction is Off Market Inter - se transfer between insiders who were in possession of UPSI; Carried through block deal mechanism between persons who were in possession of UPSI. It shall be subject to pre – clearance by Compliance officer.
 - ✓ Transaction carried pursuant to statutory or Regulatory obligations or pursuant to exercise of stock options in respect of which exercise price is pre – determined or is as per trading plan;
 - ✓ Transaction is in respect of pledge of shares for a bonafide purpose such as raising funds.
 - ✓ Transactions undertaken in accordance with Regulations made by SEBI i.e preferential offer, buyback, Open offer etc.

PRE-CLEARANCE OF TRADES

- a) When trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer if the value of the proposed trades exceeds Rs. 10 Lacs. The Managing Director shall be the competent authority for pre-clearing the Trade of Compliance Officer
- b) An application for pre – clearance as per form Annexure-1 accompanied by Undertaking as per Annexure -2 shall be submitted to Compliance officer.**
- c) The Compliance Officer on receipt of pre – clearance application and undertaking

⁶ Substituted for the word “can” w.e.f. July 25, 2019 .

shall approve it forthwith preferably on the same working day but not later than the two working days. In exceptional cases consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any UPSI. There shall be no obligation to give reasons for withholding of consent.

- d) Pre – clearance approval shall be valid for a period of one week after the date of approval after which it shall stand withdrawn and fresh Pre – clearance would be needed. Approval shall also stand withdrawn if such period is superseded by closure of trading window.

CONTRA TRADE:

- a) All Designated Persons and their Immediate Relatives who buy or sell any number of shares of the Company **shall not enter into a ‘Contra Trade’** i.e. opposite transaction - sell or buy any number of shares during the next six months following the prior transaction.
- b) The Compliance Officer may grant relaxation from strict application of restriction referred in para above after recording reasons in writing in this regard provided that such relaxation does not violate SEBI (Prohibition of Insider Trading) Regulations, 2015.
- c) In case of contra trade being executed, inadvertently or otherwise the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund.
- d) ⁷Not applicable for trades pursuant to exercise of stock options

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES.

- a) All the Designated Persons of the Company shall be required to forward following details of their securities transactions including the statement of Immediate Relatives to the Compliance Officer.
- i. all holdings in securities of the Company by Designated Persons and their Immediate Relatives at the time of joining the Company;
 - ii. periodic statement of any transactions in securities (the periodicity of reporting may be defined by the Company). The Company may also be free to decide whether reporting is required for trades where pre-clearance is also required; and
 - iii. reporting of trades executed pursuant to pre-clearance and reasons for trades not executed order after obtaining pre-clearance in **Annexure 3**;
 - iv. annual statement of holdings in securities in **Annexure 4**.

DISCLOSURE OF INTEREST / HOLDING IN THE COMPANY BY CERTAIN PERSON:

a. Initial Disclosure

- i. Every promoter, ⁸[member of the promoter group], key managerial personnel and director shall disclose his holding of securities of the company in **Form A - Annexure 5** to Compliance officer.
- ii. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a ⁹[promoter or member of the promoter group] shall disclose his holding of securities of the company in **Form B annexed herewith as**

⁷ Inserted w.e.f. April 01, 2019

⁸ Inserted w.e.f. January 21, 2019

⁹ Inserted w.e.f. January 21, 2019

Annexure 6 as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

b. CONTINUAL DISCLOSURE

Every promoter, ¹⁰[member of promoter group], ¹¹[designated person] and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days if the value of the securities traded, in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs in **Form C annexed herewith as Annexure 7.**

The disclosure shall be made within 2 working days of:

- i. receipt of intimation of allotment of shares, or
- ii. the acquisition or sale of shares or voting rights, as the case may be.

c. DISCLOSURE BY OTHER CONNECTED PERSONS

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company at such frequency as he may determine in **Form D annexed herewith as Annexure 8**

d. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S)

Within 2 days of the receipt of intimation under Clause (b) above, the Compliance Officer shall disclose to all Stock Exchanges the information received.

e. DISCLOSURE BY DESIGNATED PERSONS

Designated Persons shall be required to disclose names, PAN or other identifier authorised by law, of the following persons

¹⁰ Inserted w.e.f. January 21, 2019

¹¹ Inserted w.e.f April 01, 2019

to the Company on an annual basis and as and when the information changes

- a) Immediate Relatives;
- b) Person with whom such Designated Person has material financial relationship; and
- c) Phone mobile and cell number which are used by them;

In addition, the names of educational institution from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one time basis.

PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Any employee/officer/director who trades in shares or communicates any information for trading in shares in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.

Designated persons / Insiders who violate this code of conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ¹²[recovery, clawback] ineligible for future participation in employee stock option plans, recovery, claw-back etc.

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

AMMENDMENT

Any modification in the Policy/ code on account of change in prevailing regulations will be carried out immediately and will be informed to all concerns.

¹² Inserted w.e.f. April 01, 2019

Any other modifications will be carried out only with the previous approval of Board.

Any amendment to the Policy shall be made in writing.

ANNEXURE 1**APPLICATION FOR PRE - CLEARANCE OF TRADE under SEBI (Prohibition of Insider Trading) Regulation, 2015**

To,
The Compliance Officer,
Aarti Surfactants Limited.

ISIN :

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / subscribe Equity shares of the Company as per details given below:

Sr. No.	Particulars	Details
1	Name of the applicant	
2	Designation	
2A	Relationship with the Applicant (Self/Immediate Relative)	
3	Number of securities held as on date	
4	Folio No. / DP ID / Client ID No.	
5	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities (d) Pledge
6	Proposed date of trading in securities	
7	Estimated number of securities proposed to be purchased/subscribed/sold/pledge	
8	Current market price (as on date of application)	
9	Whether the proposed transaction will be through stock exchange or off-market trade	
10	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the Undertaking signed by me.

Signature:

Name:

Date:

ANNEXURE 2
UNDERTAKING TO BE ACCOMPANIED WITH THE
APPLICATION FOR PRE - CLEARANCE

To,
The Compliance Officer,
Aarti Surfactants Limited.

I, _____
_____ being a
designated person of the company as per the
Rules for Trading in the securities of Aarti
Surfactants Limited residing
at, _____
_____, am desirous of trading in
_____ shares of the Company as
mentioned in my application dated
_____ for pre-clearance of the
transaction.

I further declare that I am not in possession of
any unpublished price sensitive information up
to the time of signing this Undertaking.

In the event that I have access to or receive any
unpublished price sensitive information after the
signing of this undertaking but before executing
the transaction for which approval is sought, I
shall inform the Compliance Officer of the same
and shall completely refrain from trading in the
securities of the Company until such information
becomes public.

I declare that I have not contravened the
provisions of the Rules as notified by the
Company from time to time.

In the event of this transaction being in violation
of the Rules or the applicable laws,

- (a) I will, unconditionally, release, hold harmless
and indemnify to the fullest extent, the
Company and its directors and officers, (the
'indemnified persons') for all losses,
damages, fines, expenses, suffered by the
indemnified persons,
- (b) I will compensate the indemnified persons
for all expenses incurred in any
investigation, defense, crisis management
or public relations activity in relation to this
transaction and
- (c) I authorize the Company to recover from me,
the profits arising from this transaction and
remit the same to the SEBI for credit of the
Investor Protection and Education Fund
administered by the SEBI.

I undertake to submit the necessary report
within two days of execution of the transaction /
a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade
within seven days of the receipt of approval
failing which I shall seek pre-clearance afresh.

I declare that I have made full and true disclosure
in the matter.

Signature:

Name:

Date:

**ANNEXURE 3
DISCLOSURE OF TRANSACTIONS**

(To be submitted within 2 days of transaction / trading in securities of the Company)

To,
The Compliance Officer,
Aarti Surfactants Limited.

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed _____ to securities as mentioned below on ____ (date).
(strike out whichever is not applicable)

Name of holder	No. of securities traded	Bought / sold / subscribed	DP ID/Client ID/Folio No.	Price (Rs.)

I declare that the above information is correct and that no provisions of the Company's Rules and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 (Five) years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract
2. Note
3. Proof of payment to/from brokers
4. Extract of bank passbook/statement (to be submitted in case of demat transactions).
5. Copy of Delivery instruction slip (applicable in case of sale transaction)

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

Yours truly,

Name:
Emp. No.
Dept/ Div.

*Strike Out whichever is not applicable

Signature :
Name:
Date :

ANNEXURE 4

Status of Shareholding in Aarti Surfactants Limited & Change therein during the year
[Annual Statement]

Pursuant to SEBI (Prohibition of Insider Trading) Regulation, 2015

For the Period (01-April-YYYY to 31-Dec-YYYY)

To,
 The Compliance Officer,
 Aarti Surfactants Limited.
 ISIN:

a) Shares as on 01.04._____

Name, PAN No., CIN/DIN & Address with contact nos	No. & % of shares/ voting rights held by the Director/ Office	Date of receipt of allotment advice/ acquisition/ sale of shares/ voting rights	Date of intimation to company	Mode of acquisition (market purchase/ public/ rights/ preferential offer	No. & % of shares/ post acquisition/ voting rights sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity (b)	Buy value	Sell quantity (c)	Sell value
1	2	3	4	5	6	7	8	9	10	11	12

b) Shares held as on 31.12.YYYY : _____ [(a)+(b)-(c)] = _____]

I hereby confirm that:

- The above list of transactions is complete and correct.
- A separate statement for my immediate relatives' holdings, if any, is enclosed.
- All my/ our dealing in Aarti Surfactants Limited Equity shares were conducted during open / valid period of trading window.
- All the above dealings are as per Pre-Approval granted.

Date: 31-March _____

Place:

Signature:

Name:

Designation:

ANNEXURE 5
FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6(2) – Disclosure by promoter,
member of the promoter group key managerial personnel and director]

Name of the Company:

ISIN of the Company :

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/ Immediate relative to/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/ appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

ANNEXURE 6FORM BSEBI (Prohibition of Insider Trading) Regulations, 2015[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director/KMP/Promoter or Member of Promoter Group]

Name of the Company:

ISIN of the Company:

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/ Immediate relative to/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/ appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

Annexure 7

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

Name of the Company:

ISIN of the Company :

Details of change in holding of Securities of Promoter, Member of Promoter Group, Designated Person or Director of a company and other such persons as mentioned in Regulation 6(2).

1	2	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		13	14
		3	4	5	6	7	8	9	10	11	12		
Name, PAN, CIN / DIN, & address with contact nos.	Category of Person (Promoters/ KMP / Directors / Immediate relative to/others etc.)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures.	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To	Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se Transfer, ESOPs etc.) etc.)

Details of trading in derivatives of the company by Promoter, Member of Promoter Group, Designated Person, or Director of a Company and such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	

Name & Signature:

Designation:

Date:

Place:

Annexure 8
FORM D
Indicative Format

Name of the Company:

ISIN of the Company :

SEBI (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by Other connected persons as identified by the company.

Details of trading in securities by other connected persons as identified by the company

1	2	3	4	Securities held prior to acquisition/ disposal			Securities acquired/ Disposed			Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to company	14
				Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures.	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding			

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Details of trading in derivatives by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	

Name & Signature:

Designation:

Date:

Place:

[PART II]
CODE FOR FAIR DISCLOSURE OF UPSI

A code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) for adhering each of the principles is set out below:

a) Prompt public disclosure of UPSI:

- i. Disclosure of UPSI would be done promptly when credible and concrete information is available for making the same generally available and it shall be done on a continual and immediate basis. There shall be Uniform and Universal dissemination of UPSI to avoid selective disclosures.
- ii. The Company may improve investor access to the public announcements by other supplemental means.

b) Overseeing and coordinating disclosure

- i. The Managing Director, Shri Nikhil Desai is designated as Chief Investor Relations Officer ("CIRO") to deal with dissemination of information and disclosure of UPSI other than periodical regulatory submission.
- ii. Information disclosure/ dissemination, other than periodical regulatory submission, shall be approved in advance by CIRO. If information is accidentally disclosed without prior approval, the person responsible shall inform the CIRO immediately, even if the information is not considered price sensitive

c) Responding to market rumours

Response/Clarification required of market rumours by the Regulators must be forwarded CIRO. The CIRO shall be responsible for shall be responsible for deciding whether a public announcement is

necessary for verifying or denying rumours and then making the disclosure.

d) Disclosure / dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors:

- i. Only publicly available information to be provided.
- ii. Recording of discussion:
To avoid misquoting or misrepresentation, it is desirable that at least two representatives of the Company be present at meetings with analysts, brokers or Institutional Investors and discussion should preferably be recorded.

iii. Handling of unanticipated questions and UPSI:

Sufficient care should be exercised while dealing with analysts' questions. Unanticipated questions may be taken on record and a considered response may be given later and Price sensitive information should not be disclosed to analysts

iv. Prompt release of information:

The Company will make available on the website of the Company promptly; the transcripts or records of the proceedings of the meetings with Analysts etc. The Company may also consider live webcasting of analyst meets.

e) Uniform and Universal dissemination of UPSI.

- i. Disclosure/dissemination of information may be done through

Aarti Surfactants Limited

various media so as to achieve maximum reach and quick dissemination.

- ii. The Company may also facilitate disclosure through the use of its dedicated internet website.
- iii. The Company websites may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.

f) Handling of all UPSI on 'Need to know' basis :

UPSI is to be handled on a "need to know" basis, i.e., should be disclosed only to those within the Company who need the information to discharge their duty.

g) Sharing of UPSI for Legitimate Purpose

- i. Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulation 2018 mandates every listed Company to make a policy for determination of ¹³["legitimate purpose" as a part of "Code of Fair Disclosure and Conduct"].
- ii. The Policy is annexed to the Code of Fair Disclosure and Conduct as **Annexure 'A1'** and shall be effective from April 01, 2020.

h) POLICY FOR DEALING WITH LEAK OF UPSI

- i. Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulation 2018 mandates every listed Company to make a policy for dealing with leakage of UPSI".

Code On Prohibition Of Insider Trading

- ii. The Policy Is annexed to the Code as **Annexure 'A2'** and shall be effective from April 01. 2020.

ANNEXURE 'A1' POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE

1. REGULATORY FRAMEWORK

Regulation 3 (2A) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 required all listed entity to have a policy for determination of "legitimate purpose" as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

2. OBJECTIVE

To nurture a culture that fix the leakage of UPSI by laying down the principles for determining legitimate purpose for communication by an insider of UPSI.

3. LEGITIMATE PURPOSE

- i. "Legitimate Purpose" shall mean sharing of UPSI in the ordinary course of business or on a need-to know basis. The Company may share the UPSI if required in the interest of the Company.
- ii. Legitimate Purpose shall inter - alia include sharing of UPSI on need to know basis by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or

¹³ Inserted w.e.f April 01, 2019

circumvent the prohibitions of the Regulations. **(Regulation 3(2A) and 3(2B)**

iii. What shall constitute “legitimate purpose” and what shall not constitute “**legitimate purpose**” will be based on the business related needs of the Company. In general. Legitimate purpose shall, inter-alia, include the following purposes for sharing of UPSI:

- a) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;
- b) Under any proceedings or pursuant to any order of courts or tribunals;
- c) As a part of compliance with applicable laws, regulations, rules and requirements;
- d) Arising out of any contractual obligations or arrangements entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;
Arising out of business requirement including requirement for the purposes of promoting the business and Strategies of business.
- f) Any other purpose as the Board may determine depending upon the transaction(s).

4. NOTICE TO THE RECIPIENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- a) Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” and due notice shall be given by Insider to such persons :

- i. To make aware such person that the information shared is or would be UPSI
- ii. To make aware to such person the duties and responsibility attached to the receipt of such UPSI and the liability attached to misuse or unwarranted.
- iii. To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

b) Responsibility of the Receiver

- i. Maintain and keep secret and confidential the information received
- ii. Use the confidential information only for the business purpose
- iii. Disclose the confidential information to its Representatives strictly on a need to know basis; and
- iv. Safeguard the confidential Information with the same degree of care to avoid unauthorised disclosure as the receiving party uses to protect its own confidential information, but in no case less than reasonable care.

5. DIGITAL DATABASE OF THE RECIPIENT OF UPSI

5.1. The Insider shall be responsible to maintain a structured digital database of such person or entities as the case may be with whom the information is shared under this regulation, which shall contain the following information;

- a) Name of such recipient of UPSI;
- b) Name of the Organization or entity to whom the recipient represent

- c) Postal Address and E-mail ID of such recipient
- d) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.
- e) The Compliance Officer shall be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

6. SYSTEM AUDIT

There should be periodic audit once in a year to ensure the integrity of the system and data maintained.

7. AMMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision (s) with a new provision(s) or replace this entire Policy with a new Policy

ANNEXURE 'A2'

POLICY FOR DEALING WITH LEAKAGE OF UPSI

1. Preamble

This Policy is framed with an aim to implement a structured procedure for investigation in case of leak or suspected leak of UPSI. .

2. APPLICABILITY

This policy shall apply to all Insiders and any other persons as assigned by law from time to time.

3. Process of inquiry in case of leak of UPSI or suspected leak of UPSI

- i. Complaint (written or oral or electronic) regarding a leak or suspected leak of UPSI may be received by the Company from the following sources:

a. Internal:

- i. Whistleblower vide the whistleblower process as illustrated in the Aarti Surfactants Limited Whistleblower Policy;

- ii. Any leak or suspected leak of UPSI detected through the internal controls implemented by the Company.

- b. External:** Registrar and Share Transfer Agent, Depository, Stock Exchange, Regional Director, Registrar of Companies, regulatory / statutory authority or any other department of Central or State Government based on the complaint received from a whistle-blower (above shall be collectively referred to as "Complaint(s)")

- ii. In case of leak or a suspected leak of UPSI, the provisions and procedure contained in the Whistle Blower Policy of the Company shall be applied for inquiries and investigation.

- iii. The Company shall initiate appropriate inquiries on becoming aware of leak or suspected leak of UPSI and it shall inform SEBI promptly of such leaks, inquiries and results of such inquiries.

4. Consequences in case of Leak of Un – Published Price Sensitive Information

Leak of UPSI is a disciplinary issue and may also constitute a criminal offence in certain cases. Any persons including employee their Immediate Relatives who leaks UPSI shall be liable for such penal/disciplinary/remedial action as may be considered appropriate and decided by the Ehtics Committee of the Company. All Breaches with actions taken by the Committee shall be reported to the Audit Committee & Board of Directors of the Company. The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

Further the person has to indemnify and keep the Company and its Directors indemnified from and against all and any penalties/fines that may be imposed on them/ on Company by the SEBI and/or any other statutory authorities as a result of violation by me of the SEBI (Prohibition of Insider Trading) Regulations 2015 as amended from time to time and the Code prescribed by the Company.
