

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY
DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS, AND
LEGITIMATE PURPOSE POLICY

[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015]
(PIT Regulations)

Aquapharm Chemical Limited
(Formerly known as Advaya Chemical Industries Limited)

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INDEX

PART A	3
1. INTRODUCTION:	3
2. OBJECTIVE OF THE CODE:	3
3. APPLICABILITY:	3
4. DEFINITIONS:	3
5. RESPONSIBILITIES AND DUTIES OF COMPLIANCE OFFICER:	6
6. COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION:	6
7. STRUCTURED DIGITAL DATABASE (SDD):	7
8. PRESERVATION OF THE PRICE SENSITIVE INFORMATION:	7
9. CHINESE WALL:	8
10. CROSSING THE WALL:	8
11. PROCESS ON HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS:	9
12. PREVENTION OF MISUSE OF "UN-PUBLISHED PRICE SENSITIVE INFORMATION":	9
DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS IN THE COMPANY SHALL BE GOVERNED BY AN INTERNAL CODE OF CONDUCT GOVERNING DEALING IN SECURITIES.	9
13. RESTRICTION ON TRADING BY INSIDERS:	9
14. TRADING PLANS:	10
15. DISCLOSURES OF TRADING BY INSIDERS*:	10
16. TRADING WINDOW AND WINDOW CLOSURE*:	11
17. PRE-CLEARANCE OF TRADES' CLEARANCE OF TRADES*:	11
18. UPDATING OF DATABASE BY INSIDERS*:	12
19. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:	12
20. REPORTING OF VIOLATIONS:	13
21. AMENDMENT TO THE CODE:	13
PART B	14
CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE	14
1. INTRODUCTION	14
2. PRINCIPLES OF FAIR DISCLOSURE	14
3. AUTHORISED PERSONS FOR DEALING WITH DISSEMINATION OF INFORMATION AND DISCLOSURE OF UPSI	15
4. AMENDMENT	15
PART C	16
POLICY ON PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI BACKGROUND:	16

AQUAPHARM CHEMICAL LIMITED

PART A

1. INTRODUCTION:

The Code of Conduct to regulate, monitor and report trading in Securities of the Company by Insiders of Aquapharm Chemical Limited (Formerly known as Advaya Chemical Industries Limited) a Debt Listed Company (here in after referred as “Company”) has been framed in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulation”).

2. OBJECTIVE OF THE CODE:

The Code of Conduct aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information by the Directors, Key Managerial Personnel, Designated Employees and Connected Person of the Company.

3. APPLICABILITY:

This Code of Conduct is applicable to all Designated Persons and their Immediate Relatives.

4. DEFINITIONS:

In this Code, unless the context otherwise requires, the following words, expressions and derivations therefore shall have the meanings assigned to them as under:–

- A. "Act" means the Securities and Exchange Board of India Act, 1992;
- B. "Board" means the Board of Directors of the Company;
- C. "Code" or "Code of Conduct" shall mean the Code of Internal Procedures and conduct for Regulating, Monitoring and Reporting of trading by Designated Person(s) of the Company and policy on Legitimate purpose, as amended from time to time and formulated in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
- D. "Company" means Aquapharm Chemical Limited (Formerly known as Advaya Chemical Industries Limited);
- E. "Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code under the overall supervision of the Board of Directors of the Company;
- F. "Connected Person" means:
 - i. any person who is or has been during the six months prior to the concerned act, associated with a Company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allows such person, directly or indirectly, access to Un-published Price Sensitive Information or is reasonably expected to allow such access.

- ii. Without prejudice to the generality of the foregoing, the person falling within the following categories shall be deemed to be connected persons unless the contrary is established.
- a) a 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
 - 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 the Company or his relative or banker of the Company, has more than ten per cent, of the holding or interest.
 - k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
 - l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);
- G. "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- H. "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- a) All Directors & Key Managerial Personnel (KMPs) of the Company;
 - b) Promoters/Member of Promoter Group of the Company;
 - c) All employees who have access to unpublished price sensitive information, identified as designated persons;
 - d) Chief Executive Officer/Managing Director and employees up to two levels below Chief Executive Officer/ Managing Director of the Company irrespective of their functional role in the Company or ability to have access to Un-Published Price Sensitive Information;
 - e) Any support staff of listed Company such as IT staff or secretarial staff who have access to Un- Published Price Sensitive Information.
 - f) Other person as designated by the Board of Directors in consultation with the Compliance Officer of the Company, from time to time;
- I. "Director" means member of the Board of Directors of the Company.
- J. "Employee" means every employee of the Company, including the Directors in the employment of the Company
- K. "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;
- L. "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.

- M. "Insider" means any person who is,
1. a connected person; or
2. in possession of or having access to the Un-published Price Sensitive Information.
- N. "Key Managerial Personnel" means person(s) as defined in Section 2(51) of the Companies Act, 2013, or any modification thereof.
- O. "Legitimate purpose" shall include sharing of Un-published Price Sensitive Information in the ordinary course of business 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 circumvent the prohibitions of the regulations.
- P. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- Q. "Promoter Group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof
- R. "Relative" shall mean the following:
(i.) spouse of the person;
(ii.) parent of the person and parent of its spouse;
(iii.) sibling of the person and sibling of its spouse;
(iv.) child of the person and child of its spouse;
(v.) spouse of the person listed at sub-clause (iii); and
(vi.) spouse of the person listed at sub-clause (iv)
- S. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 (42 of 1956) or any modification thereof;
- T. "Stock Exchange" shall mean Bombay Stock Exchange and any other stock exchange(s) on which the securities of the Company are listed for the time being;
- U. "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- V. "Trading" means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- W. "Trading Day" means a day on which the recognized stock exchanges are open for trading where the securities of the Company are listed;
- X. "Unpublished price sensitive information" 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, delistings, disposals and expansion of business, award

- or termination of order/contracts not in the normal course of business and such other transactions;
- (v.) changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
 - (vi.) change in rating(s), other than ESG rating(s);
 - (vii.) fund raising proposed to be undertaken;
 - (viii.) agreements, by whatever name called, which may impact the management or control of the company;
 - (ix.) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
 - (x.) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
 - (xi.) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
 - (xii.) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
 - (xiii.) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
 - (xiv.) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
 - (xv.) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
 - (xvi.) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Y. “Regulations” shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

5. RESPONSIBILITIES AND DUTIES OF COMPLIANCE OFFICER:

1. Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors.
2. Maintain lists of all employees and other persons with whom UPSI is shared and ensure that confidentiality agreements are signed or notice is served to all such employees and persons;
3. The Compliance Officer shall assist the Designated Persons in addressing any clarification and/or issues relating or arising out of the SEBI Insider Trading Regulations and the Code.

6. COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

1. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a Company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a Company or securities listed or proposed to be listed, except

in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

3. Notwithstanding anything contained in this regulation, an unpublished price sensitive information 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 of Directors of the Company is of informed opinion that the sharing of the information of proposed transaction is in the best interests of the Company;
 - ii. not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of information of proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information 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 of Directors may determine.
4. For purposes of sub-regulation (3), the Board of Directors 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 sub-regulation (3), and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

7. STRUCTURED DIGITAL DATABASE (SDD):

The Board shall ensure that a structured digital database is maintained containing the names of the nature of unpublished price sensitive information and the names of such persons or entities as the case may be with whom information is shared under SEBI (PIT) Regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

8. PRESERVATION OF THE PRICE SENSITIVE INFORMATION:

- A. All information shall be handled within the Company on a “need-to-know basis” and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations.

However, the Board of Directors 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of Un-Published Price Sensitive Information.

- B. Need to Know:

- a) “need to know” basis means that Un-Published Price Sensitive Information should be

disclosed only 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 the information.

- b) All non-public information directly received by any employee should immediately be reported to the head of the department.
- c) Any person in receipt of Un-Published Price Sensitive Information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of regulations and due notice shall be given to such persons, to maintain confidentiality of such Un-Published Price Sensitive Information in compliance with the regulations.

C. Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

9. CHINESE WALL:

The Compliance Officer shall monitor and regulate the Company's Chinese walls procedures, and processes for permitting any designated person to "cross the wall".

In general, Chinese Walls separate areas that have access to confidential information from those who do not have such access. The Company formulates Chinese Walls to operate as barriers to the passing of inside information and confidential information and a means of managing conflicts of interest. The establishment of Chinese Walls is not intended to suggest that within insider areas material, confidential information can circulate freely. Within insider areas, the need-to-know shall be in effect.

- a) The Company has separated those areas of the organization which routinely have access to confidential information and considered "inside areas" from those areas which deal with sale/marketing/ investment advice or other departments providing support services, considered "public areas";
- b) The employees in the inside area shall not communicate any price sensitive information to anyone in public area without the prior approval of the Managing Director(s) / the Compliance Officer;
- c) The employees in inside area may be physically segregated from employees in public area;
- d) Departments in the inside area has been demarcated;
- e) In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on "Need to Know" basis;
- f) The Company shall ensure that appropriate procedures and physical arrangements are implemented for the relevant businesses and that such procedures are complied with by all affected employees.

10. CROSSING THE WALL:

If an employee/outsider receives inside information from the inside area of the Company, it is treated that the said employee or outsider has crossed the wall. Pursuant to crossing the wall, an employee becomes an Insider. Such employee/outsider must be subject to all restrictions and prohibitions as required under this Code of Conduct and the PIT Regulations. An employee will no longer be an Insider when the inside information is published or no longer significant to the market;

If any person crosses the Chinese wall, the same should be immediately reported to the Compliance Officer. The Compliance Officer shall make sure that all restrictions are imposed on such employee relating to the protection to the Un-Published Price Sensitive Information;

The Compliance officer shall monitor when employees receive information from inside area behind the Chinese wall, such information is not shared further without previous written consent of the Compliance Officer that cannot be discussed between the employees of different verticals; and

The Compliance Officer when satisfied that the insider information is generally available may lift such restrictions imposed on such employee.

11. PROCESS ON HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS:

Analysis

It is intended that anyone in possession of or having access to or having access to Un-Published Price Sensitive Information should be considered as "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its ambit, any person who is in receipt of or has access to Un-Published Price Sensitive Information. The onus of showing that a certain person was in possession of or had access to Un-published Price Sensitive Information at the time of trading would, therefore, be on the person levelling the charge after which the person who has traded when in possession of or having access to Un-published Price Sensitive Information may demonstrate that he was not in such possession or that he has not traded or he could not have access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

Purpose and Action

Purpose of this process is to determine how and when people are brought 'inside' on sensitive transactions and when a person is considered as an insider, he should be made aware of the duties and responsibilities attached to the receipt of inside information and the liability that attaches to misuse or unwarranted use of such information. A broad categorization of the persons to be treated as insider should be made based on their involvement in any activity relating to Un-Published Price Sensitive Information. It should be determined on a case to case basis and the Compliance Officer should make the concerned person aware of the duties and responsibilities attached to the receipt of such inside information and the liability that attaches to misuse or unwarranted use of such information. The Compliance Officer in consultation with the Managing Director may take appropriate steps in this direction.

12. PREVENTION OF MISUSE OF "UN-PUBLISHED PRICE SENSITIVE INFORMATION":

Designated persons and immediate relatives of designated persons in the Company shall be governed by an internal code of conduct governing dealing in securities.

13. RESTRICTION ON TRADING BY INSIDERS:

Trade in securities when in possession of unpublished price sensitive information:

No insider shall trade in securities of the Company when in possession of unpublished price sensitive information:

Provided that the insider may prove his innocence by giving valid reasons of the circumstances like

- i. the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of PIT regulation

Provided further that such off-market trades shall be reported by the insiders to the Company

within two working days. Every Company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.;

- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of PI regulation.

- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- v. In case of non – individual insiders (Company, firm etc) –
 - a. The individuals who were in possession of the unpublished price sensitive information were different from the individuals who took the decision for trade and there are such appropriate and adequate arrangements were in place that the information of the unpublished price sensitive information is not transferred from the individuals who were in possession of the unpublished price sensitive information to the individuals who took the decision for trade.
 - b. Trading is done pursuant to the trading plan.
 - c. Trade by connected person, the onus of establishing that they were not in possession of unpublished price sensitive information shall be on such connected person.
 - d. in any other case, the onus would be on the Board.

14. TRADING PLANS:

Applicable provisions of the Regulations relating to Trading Plan intends to give an option to persons who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner.

15. DISCLOSURES OF TRADING BY INSIDERS*:

The disclosures to be made by any person under this Code and applicable Regulation 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 considered for the purpose of disclosure under this Code. Provided that trading in derivatives of securities is permitted by any law for the time being in force.

Disclosure under this regulation shall be maintained by the Company, for a minimum period of five years.

1. Initial Disclosures and Continuous Disclosures:

Every Designated Persons as on the date of joining shall disclose his and his Immediate Relatives holding of Securities as on the date of appointment, in the manner provided in the Regulations.

Every person on appointment as Key Managerial Personnel or a Director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company at pcbl.investor@rpsg.in within seven days of such appointment or becoming a

promoter.

2. Continual Disclosures:

Every Promoter, Member of the promoter group, Designated Person and Director of Company shall disclose at pcbl.investor@rpsg.in the number of securities (issued by Company) 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, in the manner provided in Regulations.

On receipt of disclosure as provided hereinabove, Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

**Will be disclosed in accordance to the extent applicable as the Company being Debt-Listed.*

16. TRADING WINDOW AND WINDOW CLOSURE*:

The provisions relating to the Trading Window shall be applicable only for the Securities of Company.

- i. The trading window shall be closed during the time when the Compliance Officer and/ Board of Directors determines that Insiders can reasonably be expected to have Unpublished Price Sensitive Information. However, trading restriction period shall be made applicable from the end of every quarter till 48 hours after the dissemination of the financial results. The Board of Directors of Company shall endeavour to conduct meeting of Audit Committee and the Meeting of Board of Directors on the same day for approval of accounts so as to avoid leakage of material information.
- ii. The communication related to closure and opening of the trading window shall be given by the Compliance Officer to all the Insiders and all Designated Persons by means of intimation to the stock exchanges where securities of the listed entity of Company are listed and wherever required, through e-mail, circular and/ or posting on the website of the Company, etc Irrespective of whether such communication has been read or received or not, persons governed by this Code shall mandatorily verify with the Compliance Officer on the status of the trading window before undertaking any trades in the listed securities of the Company.
- iii. Subject to aforesaid clause, all Insiders and their Immediate Relatives are prohibited to trade in securities, when the trading window is closed except in case of insiders who have submitted their Trading Plans to the Compliance Officer.
- iv. Insiders shall conduct all their dealings in the Securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when the trading window is closed, as referred above or during any other period as may be specified by the Company from time to time.
- v. The Compliance Officer after considering various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall be applicable to all Insiders.

**Will be disclosed to the extent applicable as the Company being Debt-Listed.*

17. PRE-CLEARANCE OF TRADES' CLEARANCE OF TRADES*:

1. All Designated Persons after taking pre-clearance from the Compliance Officer may trade when the trading window is open if the value of the proposed trades is above such thresholds as the Board of Directors may stipulate.
2. All Designated Persons of the Company who intend to deal, on their behalf and / or on behalf of their dependent family members, in the securities of the Company should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

3. Any pre cleared trade not executed by the designated person within 7 days of its pre clearance would require fresh clearance for the trades to be executed.
4. An application may be made to the Compliance Officer indicating the estimated number of securities that the Designated person intend to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be specified in this behalf.
5. Along with the request for pre-clearance of transaction, an undertaking shall be executed in favour of the Company by such Designated person, that he is not in possession of unpublished price sensitive information.
6. No contra trade shall be executed by the designated person within the period six months from date of execution of the pre-cleared trade.
7. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
8. In case of execution of a contra trade, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the Board under the Act.

**Will be disclosed to the extent applicable as the Company being Debt-Listed.*

18. UPDATING OF DATABASE BY INSIDERS*:

Pursuant to the Clause 14 of the Schedule B and Clause 12 Schedule C of the Regulations, the Designated Persons (Employees) shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes in prescribed format:

- a. Immediate Relatives;
- b. persons with whom such designated person(s) shares a Material Financial Relationship;
- c. Phone, mobile and cell numbers which are used by them in addition, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

**Will be disclosed to the extent applicable as the Company being Debt-Listed.*

19. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:

1. Every Designated Person/ Insider shall be individually responsible for complying with the provisions of the Code and Regulations (including to the extent the provisions hereof are applicable to his/her Immediate Relatives).
2. Any Designated Person / Insider who trades in Securities or communicates any information for trading in Securities, in contravention of this Code and/Regulations will be penalized and appropriate action may be taken by Company. Designated Employee(s) who contravenes any of the provisions of this Code and/ Regulation shall indemnify and hold harmless the Company, its Directors, officers for any consequences resulting from such violation, whether monetary or not.
3. Designated Person / Insiders who violate the Code and/ Regulation, (whether the violation was intentional or unintentional) shall also be subject to disciplinary action, which may include action such as wage freeze, issue of warning letters, termination from employment/ business or other legal, commercial relation, filing a suit and such other remedy as may be available under the law for the time being in force at the sole discretion of the Company.
4. The action taken by the Company shall not preclude SEBI or any other competent authority from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
5. The Company shall intimate SEBI regarding the material violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
6. The Insider agrees to read, abide and comply with the provisions of this Code and Regulations in its true spirit. Further, Insider confirms and understands that the Company, its subsidiaries, group companies, associate companies or its other employees, officers, representatives,

Directors and promoters shall not be responsible/ liable for any acts of omission and/or commission of the Insider or any other person resulting in violation of Code and/Regulations in any manner whatsoever.

20. REPORTING OF VIOLATIONS:

In terms of clause 13 of Schedule B (in case of listed companies) and clause 11 of Schedule C (in case of intermediaries and fiduciaries) read with Regulation 9 of the PIT Regulations, the listed companies, intermediaries and fiduciaries shall promptly inform the Stock Exchange(s) where the concerned securities are traded, regarding violations relating to Code of Conduct under PIT Regulations in such form and manner as may be prescribed by the Board from time to time. (Refer Annexure A of SEBI Circular dated July 23, 2020).

21. AMENDMENT TO THE CODE:

This Code and any subsequent amendment(s) thereto, shall be carried out with the approval of the Board of Directors of the Company. Any or all provisions of this Code would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

PART B

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE

1. INTRODUCTION

In accordance with the Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”), as amended in 2018, Aquapharm Chemical Limited (Formerly known as Advaya Chemical Industries Limited) (‘Company’) has formulated the amendment in the Code of Practices and Procedures for fair disclosures of Unpublished Price Sensitive Information (“UPSI”)

2. PRINCIPLES OF FAIR DISCLOSURE

The Company shall adhere to the following principles so as to ensure timely and adequate disclosure of UPSI with respect to it or its Securities, which is likely to affect price of the Securities.

1. The Company shall make prompt public disclosure of UPSI 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 make, uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Compliance Officer will act as Chief Investor Relations Officer and shall deal with dissemination of information and disclosure of UPSI.
4. The Company shall make prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Compliance Officer shall provide, appropriate and fair response to queries on news reports and request for verification of market rumours by regulatory authorities. The company will not respond to every market rumour. However, if asked for by the Stock Exchange, the company will submit its response to the market rumour.
6. The Company shall ensure that information, if any, shared with analysts and research personnel is not UPSI. The Company shall ensure that no communication shall be made by the Company to any analyst or investor of any UPSI or a part thereof at any such meetings with analysts or investor conferences.
7. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all UPSI on a need-to know basis i.e., UPSI shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
9. Policy for determination of “Legitimate Purposes” The sharing of UPSI shall be deemed to be for “Legitimate Purpose” if it satisfies the following criteria:
 - i. The ‘Legitimate Purpose’ shall include sharing of Un-Published Price Sensitive Information in the ordinary course of business 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 circumvent the prohibitions of the Regulations.
 - ii. The information shall be shared with any person on ‘need to know’ basis.
 - iii. Insiders shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law.
 - iv. Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of the Company in appropriate circumstances. The person who has the UPSI should ideally recuse himself from assigned task of the sharing the UPSI with third parties in such doubtful cases to avoid any adverse inferences in this regard.
 - v. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an

“Insider” and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Regulations. The Compliance Officer shall ensure that such third party with whom the UPSI is shared, is also bound by non-disclosure or confidentiality agreements and the liabilities involved which shall mention the duties and responsibilities of such person with respect to such UPSI and the liabilities involved if such person misuses or uses such UPSI in breach of the Code or Regulations.

10. The Company shall enter the details of the person or entity with whom UPSI is shared in a structured digital database maintained internally for a period not less than eight years.
11. The Compliance Officer shall maintain records of the details of the recipients, including their PAN, Address, etc., of UPSI on legitimate purpose including the following:
 - a. Whether the concerned UPSI is required to be shared?
 - b. Why the information is required by the recipient?
 - c. Who had shared the UPSI and whether he was authorized to do so?
 - d. Whether the Compliance Officer was intimated before such sharing of UPSI?
 - e. Whether non-disclosure agreements were signed?
 - f. Whether notice to maintain confidentiality of the shared UPSI has been given?

3. AUTHORISED PERSONS FOR DEALING WITH DISSEMINATION OF INFORMATION AND DISCLOSURE OF UPSI

The Compliance Officer or in his absence, Managing Director of the Company is authorized by the Board to deal with dissemination of information and disclosure of unpublished price sensitive information.

4. AMENDMENT

The Board reserves the right to amend or modify this Code in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time without assigning any reason whatsoever. Any such amended Code will be accordingly updated on the website of the Company.

The Company will also promptly intimate any amendment to this Code for Fair Disclosure to the stock exchanges, as required under the Regulations also disseminate on company’s website.

PART C

POLICY ON PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI BACKGROUND:

In terms of Regulation 9A (5) of the Regulations, the Board requires to formulate policies and procedures for inquiry in case of leak/suspected leak of UPSI, this policy sets out the broad principles that the Board will follow while inquiring into cases of actual or suspected leak of UPSI:

1. Inquiry under this policy shall commence based on a written complaint received from any employee, Registrar and Share Transfer Agent, Designated Person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government or other appropriate entity.
2. The complaint shall inter-alia state particulars of the complainer and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
3. The Complaint shall be addressed to the Board of Directors or Audit Committee or Chairman or Managing Director or Compliance Officer. All such complaints received shall be forwarded promptly to Managing Director (MD / WTD / CEO) / Whole-Time Director (WTD) / Chief Executive Officer (CEO) by the recipient.
4. Within 5 (five) working days of receipt of the complaint, Compliance Officer under the guidance of MD / WTD / CEO shall write to the complainer intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter. If MD / WTD / CEO feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company, then he will discard the complaint with reasons recorded in writing.
5. Within 7 (seven) working days of receipt of representation, Compliance Officer under the guidance of MD / WTD / CEO shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During such investigation, they may call for such additional documents, representations, etc. as they may deem fit.
6. If no representation is received within the aforesaid stipulated time, Compliance Officer shall issue notice to the complainer asking him about the status of complaint to which the complainer shall respond within 2 working days from the date of receipt of such notice. Failing to respond within the stipulated timelines, Compliance Officer under the guidance of MD / WTD / CEO may issue show cause notice to the complainer as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
7. On completion of the preliminary investigation under point 5, receipt of reply to the show-cause notice issued under point 6 or on non-receipt thereof, MD / WTD / CEO shall refer the matter to the Chairman of the Audit Committee, along with his opinion, for his consideration.