
**AAR COMMERCIAL
COMPANY LIMITED**

**CODE OF PRACTICES AND
PROCEDURES
FOR
FAIR DISCLOSURE
OF
UNPUBLISHED PRICE
SENSITIVE INFORMATION**

INTRODUCTION

Pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors of AAR Commercial Company Limited (hereinafter referred to as the "Company") has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). SEBI has vide notification dated 31 December 2018, amended SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 1 April 2019. As required under the said Regulations, a revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), (hereinafter referred to as the "Code") has been framed for adoption by the Board of Directors of the Company.

OBJECTIVE

The purpose of this Code is to formulate a standard framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Securities of the Company and clearly outline the procedures and practical guidelines that would be followed by the Company for consistent, transparent, regular and timely public disclosure and dissemination of UPSI.

DEFINITIONS

- A. The term **"legitimate purposes"** shall include sharing of UPSI 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 said Regulations.
- B. **"Unpublished Price Sensitive Information (UPSI)"** means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following: -

CODE OF FAIR DISCLOSURE PRACTICES

1. The company shall ensure prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. accessible to the public on a non-discriminatory basis.
2. The company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.

3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.
4. The company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information 'generally available'.
5. The company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The company shall ensure that information shared with analysts and research personnel is not UPSI.
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 official website to ensure official confirmation and documentation of disclosures made.
8. The company shall ensure the handling of all UPSI on a need-to-know basis.
9. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of the Regulations and due notice shall be given to such person(s) to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations.
10. A structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available shall be maintained. 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.

DELAY IN DISCLOSING UNPUBLISHED PRICE SENSITIVE INFORMATION

Under certain circumstances where the UPSI is not finalised or a definitive decision has not been taken, the Company may keep such UPSI confidential till such time that the Corporation is certain that such UPSI is concrete and credible and could have an impact on price discovery of its securities in the market. The Board of Directors shall be responsible for determining when it would not be feasible for the Corporation to make an immediate disclosure of UPSI.

RESPONDING TO MARKET RUMOURS

The Company's general policy is not to comment upon such rumours. In case there is any query or request for verification of market rumours by the stock exchanges, the Company Secretary shall carry out preliminary enquiry/investigation in to the circumstances resulting in origination of the rumour so as to ascertain the exact basis and nature of the rumour, actual/potential effect on movement of prices of the securities and other related factors; and an internal report will be prepared on the basis of the above and forwarded to the Chairman and/or Managing Director, CEO, CFO and Chief Investor Relation officer for deciding the response in the form of clarification, denial or rebuttal to be given to the stock exchange. If necessary, appropriate press release may also be given for information of the general investors.

INTERACTIONS WITH FINANCIAL ANALYSTS, INVESTORS AND THE MEDIA

- The Company communicates with its institutional shareholders through meetings with analysts and discussions between fund managers and the management. The Company also participates in investor conferences from time to time. All interactions with institutional shareholders, fund managers and analysts are based on generally available information that is accessible to the public on a non-discriminatory basis. The presentations made to analysts and fund managers are placed on the website of the Company. The official press releases are also displayed on the website of the Company.
- The main channel of communication with the shareholders of the Company is through the annual report. Details relating to financial results are disseminated to the shareholders through press releases, emails and uploaded on the website of the Company.
- Briefings are given to update the market after declaration of quarterly financial results through press, investor meetings or teleconferences. Meetings with investors (bilateral and general) are held to ensure that the investors receive a balanced and complete view of the performance of the Company and its subsidiaries, while observing applicable rules concerning selective disclosure, equal treatment of shareholders and insider trading. Meetings are also held with institutional shareholders, fund managers, analysts and research personnel to share generally available information with them. The Company shall ensure that no UPSI is disclosed to such institutional shareholders, fund managers, analysts and research personnel.
- Investor presentations are uploaded on the website of the Company.
- Employees must not, under any circumstances, respond to inquiries from the stock exchanges, the media or others, unless they are duly authorized to do so by the whole-time directors or CIRO or Company Secretary.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

Any UPSI shall only be shared in furtherance of legitimate purpose(s), performance of duties or discharge of legal obligations. The term “legitimate purposes” shall be construed in accordance with the following principles:

- Sharing of UPSI in the ordinary course of business by any employee, insider, or by any authorized person with existing or proposed partners, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- Sharing of Unpublished Price Sensitive Information for any other genuine or reasonable purpose as may be determined by the whole-time directors or CIRO or Company Secretary.
- Sharing of UPSI with a court of law or any governmental authority or a regulatory body on the basis of any order issued by them.
- Sharing of UPSI for any other purpose as may be prescribed under Regulations formulated by SEBI or the Companies Act, 2013 and Rules thereunder or any other law for the time being in force, as may be amended from time to time.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an insider for purposes of this Code. Once it is determined that an employee/director is sharing UPSI in furtherance of legitimate purposes, such employee/director shall ensure that he/she complies with all applicable provisions of the Code pertaining to sharing/disclosure of Unpublished Price Sensitive Information.

VIOLATION OF THIS POLICY

Any violation of this policy by an employee, designated person, officer, or director of the Group shall be brought to the attention of the Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Board of Directors and may constitute grounds for termination of service.

Note: This Code is revised and adopted by the Board of Directors of the Company at their meeting held on 13-08-2019 and shall be effective from this date.