
**AAR COMMERCIAL
COMPANY LIMITED**

**POLICY FOR DETERMINATION
OF
MATERIALITY OF ANY EVENT
OR
INFORMATION**

INTRODUCTION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company are material.

The Board of Directors (hereinafter referred to as “the Board”) of AAR COMMERCIAL COMPANY LIMITED (hereinafter referred to as “Company”) has adopted the following policy (hereinafter referred to as “Policy”) and procedures with regard to determination of materiality of events or information which are required to be disclosed in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (hereinafter referred to as the “Listing Regulations”) and circulars issued by Securities and Exchange Board of India from time to time.

OBJECTIVE

The objective of the Policy is to determine the materiality of event or information of the Company, apart from those events which are already specified in Para A of Part A of Schedule III of the Regulations, so that such event or information can be promptly disclosed to the stock exchange(s).

DEFINITIONS

“Act” means the Companies Act, 2013 and the rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“Board” shall mean the Board of Directors of the Company, as constituted from time to time.

“Key Managerial Personnel” mean key managerial personnel as defined in sub-section (51) of Section 2 of the Act;

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“Material Event” or “Material Information” shall mean such event or information as set out in the annexures to this policy or Schedule or as may be determined in terms of Clause 4 of this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly;

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Events / information shall be considered as Material if it meets any of the following criteria:

- a) Regulation 30 of the Listing Regulations mandates disclosure of all deemed material events to the stock exchanges. These events have been specified in Para A of Part A of Schedule III of the Listing Regulations and shall be disclosed as applicable from time-to-time. These events are also listed in **Annexure A** to this Policy. These events will be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information except for events stated in item 4 of **Annexure A** which shall be disclosed within thirty minutes of the conclusion of the Board Meeting. In case the disclosure is made after twenty four hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.
- b) For disclosure of certain events as specified in Para B of Part A of Schedule III of the Listing Regulations, to the stock exchanges as reproduced in **Annexure B** to this Policy, the following criteria shall be considered by the Board for determining whether the events are material or not.
- c) Where the omission of an event or information, is likely to result in:
 - Discontinuity or alteration of event or information already available publicly or
 - A significant market reaction if the said omission came to light at a later date.

This Policy shall also apply to the events to which neither Para A or Para B of Part A of Schedule III applies but have a material effect on the Company in the opinion of the Board of Directors of the Company.

DISCLOSURES OF EVENTS OR INFORMATION

- a) Events specified in **Annexure A** are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:
 - Inform the stock exchanges in which the securities of the Company are listed;

- Upload on the corporate website of the Company. Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay
- b) The Company shall make disclosure of events as specified in **Annexure B** based on application of guidelines for determining Materiality as per clause 3 of the Policy.
- c) The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- d) The Company shall disclose all events or information with respect to its Material Subsidiaries.
- e) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- f) In case where an event occurs or information is available with the Company, which has not been indicated in Para A or Para B of Part A of Schedule III, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.
All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS INFORMATION

Managing Director and/or Chief Financial Officer and any other KMP as may be authorized by the Board shall be the authority to determine the materiality of any event or information, classify it as Material, and decide the details and the appropriate time at which disclosure is to be made to the Stock Exchanges.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations; or any other statutory enactments, rules, the provisions of such Listing Regulations / Act, or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

AMENDMENTS

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law / Regulations for the time being in force.

DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company www.aarccl.in. Further, the Company shall disclose on its website all such events or information which has been disclosed to the stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company.

Note: This Policy 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.

ANNEXURE A

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;

Explanation. - 'Acquisition' shall mean, - (i) acquiring control, whether directly or indirectly; or, (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that – (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or; (b) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.;
3. Revision in credit rating(s);
4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - (a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - (b) any cancellation of dividend with reasons thereof;
 - (c) the decision on buyback of securities;
 - (d) the decision with respect to fund raising proposed to be undertaken;
 - (e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - (f) re-issue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - (g) short particulars of any other alterations of capital, including calls;
 - (h) financial results;
 - (i) decision on voluntary de-listing by the Company from stock exchange(s).

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
6. Fraud/defaults by Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or Promoter;
7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
 - 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - 7B. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
8. Appointment or discontinuation of share transfer agent;
9. Corporate debt restructuring;
10. One-time settlement with a bank;
11. Reference to BIFR and winding-up petition filed by any party /creditors;
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company;
13. Proceedings of Annual and Extra-ordinary General Meetings of the Company;

14. Amendments to Memorandum and Articles of Association of Company, in brief;
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
16. Re-classification of Promoter as Public Shareholder.
17. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f) Appointment/ Replacement of the Resolution Professional;
 - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i) Number of resolution plans received by Resolution Professional;
 - j) Filing of resolution plan with the Tribunal;
 - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
 - l) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
 - m) Any other material information not involving commercial secrets.

ANNEXURE B

ILLUSTRATIVE LIST OF EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;