
AAR COMMERCIAL COMPANY LIMITED

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

**[Regulation 9A of SEBI (Prohibition of Insider Trading)
Regulations, 2015]**

INTRODUCTION

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) and initiate appropriate inquiries on becoming aware of leak of UPSI and inform the Board of Directors promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of the Company has laid down this policy for procedure of inquiry in case of leak of UPSI for adoption.

OBJECTIVE

- i. To strengthen the internal control system to prevent leak of UPSI.
- ii. To restrict and prohibit the practice of sharing of UPSI, with the unauthorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- iii. To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employees and Designated Persons with any other person, firm, Company or Body Corporate.
- iv. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- v. To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons who appears to have been found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons.

APPLICABILITY

This policy shall apply to all designated persons, connected persons and immediate relative of designated persons, connected persons and persons in possession of or having access to unpublished price sensitive information.

CHIEF INVESTOR RELATION OFFICER ("CIRO")

CIRO shall mean the Compliance Officer of the Company appointed by the Board of Directors under Securities and Exchange Board India (Prohibition of Insider Trading) Regulations, 2015.

DUTIES OF CHIEF INVESTOR RELATIONS OFFICER

The CIRO shall be responsible to;

- (i) Oversee the Compliance of this Policy.

- (ii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Board of Directors/ Audit Committee or Enquiry committee, to be constituted, if required.

DISCLOSURE OF ACTUAL OF SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES

On becoming aware of actual or suspected leak of UPSI of the Company, the CIRO shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed.

REPORT OF ACTUAL OF SUSPECTED LEAK OF UPSI TO SEBI

On becoming aware of actual or suspected leak of UPSI of the Company, the CIRO shall ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI.

PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

- 1) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, 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.
- 2) The complaint shall inter alia state particulars of the complainees and details of the complainant. 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 Company or Board or Audit Committee or Chairman or Managing Director (MD) or Chief Executive Officer, by whatever name called.
- 4) Within 5 (five) working days of receipt of the complaint MD, shall write to the complainees 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 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, MD 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 the course of such investigation, MD may call for such additional documents, representations, etc. as he may deem fit.
- 6) If no representation is received within the aforesaid stipulated time, MD shall issue notice to the complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
- 7) On completion of the preliminary investigation under clause (v), receipt of reply to the show cause notice issued under clause (vi) or on non-receipt thereof, MD shall refer the matter to the Chairman of the Audit Committee, along with his opinion, for his consideration.
- 8) Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and shall actually convene the concerned meeting within a period of 45 days of receipt of opinion of MD.
- 9) The Audit Committee shall consider the matter and put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion that the complainee is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the company, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any other statutory enactments, as applicable.
- 10) The Company suo moto reserves the right of initiating an inquiry under this policy against any designated person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.
- 11) This policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Vigil Mechanism Policy of the Company.

- 12) The word MD or CEO wherever referred in this policy shall mean and include head of the Company, whether occupying board position or not, by whatever name called.
- 13) The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.
- 14) Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other relevant legislation/law applicable to the Company, as amended from time to time.

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