

# AAR COMMERCIAL COMPANY LIMITED

CIN : L63090WB1982PLC035019

1, BRITISH INDIA STREET (OLD COMPLEX), MEZZANINE FLOOR, ROOM NO. 20, KOLKATA - 700 069

☎ : 033-46003498, ✉ : investors.commercial@rediffmail.com. Web. : www.aarcl.in

Date: 13.08.2019

<b>THE MANAGER</b> <b>BOMBAY STOCK EXCHANGE LIMITED</b> <b>FLOOR 25, P J TOWERS,</b> <b>DALAL STREET,</b> <b>MUMBAI - 400001</b>	<b>THE SECRETARY</b> <b>CALCUTTA STOCK EXCHANGE LIMITED</b> <b>7, LYONS RANGE,</b> <b>KOLKATA-700 001</b>
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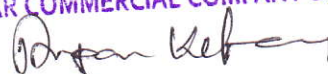
Sir/Madam,

**SUB: OUTCOME OF THE BOARD MEETING HELD ON AUGUST 13, 2019,**  
**REGULATION 30 OF SEBI (LODR) REGULATIONS, 2015**

The Board of Directors of the Company at their Meeting held at the Registered Office of the Company on Tuesday, August 13, 2019 which commenced at 11.30 A.M. and concluded at 1.30 P.M., inter-alia, approved the following businesses:

1. Pursuant to the provisions of Regulation 33 of the SEBI (LODR) Regulations, 2015 the Board of Directors approved the Unaudited Financial Results of the Company for the Quarter ended 30<sup>th</sup> June, 2019 as per Indian Accounting Standard (IND-AS).
2. The Board of Directors took note of the Limited Review Report issued by Chartered Accountant M/s. R.K. Tapadia & Co. for the Quarter ended 30<sup>th</sup> June, 2019.
3. Approval of the Revised Code of Conduct for Board of Directors and Senior Management Personnel. **(Copy Enclosed)**
4. Approval of the Amended Whistle Blower Policy / Vigil Mechanism Policy. **(Copy Enclosed)**
5. Approval of the Amended Nomination and Remuneration Policy. **(Copy Enclosed)**
6. Approval of the Amended Related Party Transaction Policy. **(Copy Enclosed)**

AAR COMMERCIAL COMPANY LTD.



Director / Authorised Signatory

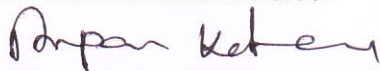
7. Approval of the Revised Code of Conduct for Prevention of Insider Trading. **(Copy Enclosed)**
8. Approval of the Revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. **(Copy Enclosed)**
9. Approval of Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information ("UPSI). **(Copy Enclosed)**
10. Approval of Policy for Determination of Material Subsidiaries. **(Copy Enclosed)**
11. Approval of the Amended Policy for Determination of Materiality of any Event or Information. **(Copy Enclosed)**
12. Consider and approve the re-appointment Mr. Udit Agarwal (DIN: 07036864) as an Independent Director for Second Term of 5 (Five) consecutive years which will be effective from December 6, 2019 subject to approval of members at the ensuing Annual General Meeting.  
Brief profile of Mr. Udit Agarwal is enclosed herewith for your reference.

Thanking you,

Yours faithfully,

**AAR COMMERCIAL COMPANY LIMITED**

**AAR COMMERCIAL COMPANY LTD.**



**Director / Authorised Signatory**

**Name: Anupam Khetan**

**Designation: Whole-Time Director**

**DIN: 07003797**

**Encl: As above**



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(Rs. In Lakhs)

Statement of Unaudited Financial Results for the Quarter Ended 30th June, 2019				
Particulars	Quarter Ended			Year Ended
	30th June, 2019 (Unaudited)	31st March, 2019 (Audited)	30th June, 2018 (Unaudited)	31st March, 2019 (Audited)
<b>1. Income from Operations</b>				
(a) Net sales/Income from Operations	-	-	-	-
Other Operating Income	2.68	29.44	4.35	127.37
<b>Total Income from Operation</b>	<b>2.68</b>	<b>29.44</b>	<b>4.35</b>	<b>127.37</b>
<b>2. Expenses</b>				
(a) Cost of Material consumed	-	-	-	-
(b) Purchases of stock-in-trade	-	-	-	-
(c) Changes in inventories of stock-in-trade	-	-	-	-
(d) Employee benefit expenses	2.02	2.02	2.38	11.32
(e) Finance costs	-	-	-	-
(f) Depreciation and amortisation expense	-	-	-	-
(g) Other expenses	4.42	5.58	5.34	15.23
<b>Total Expenses[2(a) to 2(g)]</b>	<b>6.44</b>	<b>7.60</b>	<b>7.72</b>	<b>26.55</b>
<b>3. Profit/(Loss) before exceptional and extraordinary items and tax(1-2)</b>	<b>(3.76)</b>	<b>21.84</b>	<b>(3.37)</b>	<b>100.82</b>
4. Exceptional Items	-	-	-	-
<b>5. Profit/(Loss) before tax(3+4)</b>	<b>(3.76)</b>	<b>21.84</b>	<b>(3.37)</b>	<b>100.82</b>
6. Tax expense/(credit)	-	-	-	-
(a) Current Tax expense for current Year	-	12.65	-	20.18
(b) Deferred tax	-	-	-	-
Total Tax expenses/Credit	-	-	-	20.18
<b>7. Net profit/(Loss) for the period(5-6)</b>	<b>(3.76)</b>	<b>9.19</b>	<b>(3.37)</b>	<b>80.64</b>
8. Other comprehensive Income (Net of Tax)	-	-	-	-
A. Items that will not be reclassified to profit or loss	-	-	-	3,165.79
B. Items that will be reclassified to profit or loss	-	-	-	-
<b>Total Other comprehensive Income (A+B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,165.79</b>
<b>9. Total Comprehensive Income (7+8)</b>	<b>(3.76)</b>	<b>9.19</b>	<b>(3.37)</b>	<b>3,246.43</b>
10. Paid-up equity share capital (Face Value Rs. 10/-each)	1,001.40	1,001.40	1,001.40	1,001.40
<b>11. Earning Per Equity Shares:</b>				
(a) Basic	(0.038)	0.09	(0.034)	0.81
(b) Diluted	(0.038)	0.09	(0.034)	0.81
Notes:				
1	The above financial results for the quarter ended June 30, 2019 are Ind AS compliant result and have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) notified by the ministry of Corporate Affairs.			
2	The Statutory Auditors of the Company have carried out the limited review only in respect of the financial results for the quarter ended 30th June, 2019 in terms of Regulation 33 of the SEBI (LODR) Regulations, 2015.			
3	The financial results were reviewed by the audit committee and were thereafter approved by the Board of Directors of the Company at the meeting held on 13th August, 2019.			
4	The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the entire financial year and the published year to date figures upto the third quarter of previous year.			
5	The figures for the previous period have been regrouped/ reclassified wherever necessary.			

For and on behalf of the Board  
AAR COMMERCIAL COMPANY LTD.



Director / Authorised Signatory  
ANUPAM KHETAN  
Whole-Time Director  
DIN: 07003797

Place: Kolkata  
Date: 13th August, 2019





**R. K. TAPADIA & CO.**  
**CHARTERED ACCOUNTANTS**

1/1 SEVAK BAIDYA STREET  
NEW INDRAPURI, 4<sup>TH</sup> FLOOR  
KOLKATA-700029

**LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS OF AAR COMMERCIAL COMPANY LIMITED FOR THE QUARTER ENDED JUNE 30, 2019**

To  
The Board of Directors  
AAR Commercial Company Limited

We have reviewed the accompanying statement of Unaudited Financial Results of AAR Commercial Company Limited for the quarter ended 30<sup>th</sup> June, 2019 being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI circular no. CIR/CFD/CMD1/44/2019 dated 29<sup>th</sup> March, 2019. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors.

This statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34, "Interim Financial Reporting" (Ind AS 34), prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.


We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in all material respects in accordance with the applicable Indian Accounting Standards ('Ind-AS') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For R.K. TAPADIA & CO.  
(Chartered Accountants)  
Firm Regn No. 318166E



Place of signature: Kolkata  
Dated: 13<sup>th</sup> Day of August, 2019

  
Ramesh Kumar Tapadia  
(Proprietor)  
M. No. 053927

UDIN:-19053927AAAAAR1848

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# **AAR COMMERCIAL COMPANY LIMITED**

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## **CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

**[Pursuant to Regulation 17(5) of the SEBI (Listing Obligations  
and Disclosure Requirements) Regulations, 2015]**

## **INTRODUCTION**

AAR Commercial Company Limited (hereinafter referred to as the “Company”) is committed to the highest standards of corporate governance and ethical conduct while conducting its business. The Company aims to achieve high levels of accountability, integrity, transparency and fairness. In order to achieve these, the Company has adopted the Code of Conduct (hereinafter referred to as the “Code”) which will be applicable to the members of its Board and Senior Management Team. This Code will ensure that the concerned Directors and Senior Management Personnel adhere to highest standards of personal and professional integrity while working for and on behalf of the Company.

This Code takes into account the relevant statutory applicable provisions of the Companies Act, 2013, listing requirements with stock exchanges, wherever the Company is listed i.e. Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and other applicable laws.

## **APPLICABILITY**

This Code applies to Directors and Senior Management Personnel of the Company.

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

## **CODE OF CONDUCT**

The Board of Directors and Senior Management Personnel of the Company should:

- Always exercise their powers in good faith and in the best interest of the Company and its various stakeholders viz. Shareholders, financiers, customers, creditors, employees, etc.
- Practice the highest standards of honesty, integrity, ethics and discipline in dealings with the Company or in dealings with others on behalf of the Company and shall not derive any undue benefit or advantage by virtue of their position or relationship with the Company.

- Exercise reasonable skill and judgement in their areas of specialization and share their learnings and experience by keeping in mind the best interest of the Company and its stakeholders.
- Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
- Avoid joining the Boards of competitors or take up advisory or consultative assignments in organisations engaged in same or similar kind of businesses.
- Conduct themselves and their activities outside the Company in such manner as not to adversely affect the goodwill or reputation of the Company.
- Not disclose any confidential/privileged information of the Company obtained by them during their employment to any person, firm, Company or body corporate. In this regard guidelines put forth in provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 should be followed.
- Treat all the employees of the Company equally without any discrimination on account of caste, creed, race, religion, age, gender, disability or any other personal prejudice. Emphasis should also be given to maintain a work environment free of sexual harassment and treat all employees with dignity.

## **DUTIES OF THE INDEPENDENT DIRECTORS**

The Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- strive to attend all Meetings of the Board of Directors and of the Board Committees of which he/she is a member;
- participate constructively and actively in the Committees of the Board in which they are Chairpersons or Members;
- strive to attend the General Meetings of the Company;
- where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board Meeting;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;

- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- ascertain and ensure that the Company has an adequate and functional Vigil Mechanism / Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within his/her authority, assist in protecting the legitimate interests of the Company, Shareholders and its Employees;
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- Submit a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations at the first meeting he attends as a director and thereafter at the first board meeting in every financial year or whenever there is any change in circumstances that effect his independence.

#### **COMPLIANCE WITH THE CODE**

All Directors and Senior Management Personnel shall individually affirm compliance with this Code of Conduct of Board of Directors and Senior Management on an annual basis.

The Board of Directors is also responsible for monitoring, overseeing and ensuring compliance of this Code and taking appropriate action in case of any default.

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***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.***



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**AAR COMMERCIAL  
COMPANY LIMITED**

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**WHISTLE BLOWER POLICY  
OR  
VIGIL MECHANISM POLICY**

## **INTRODUCTION**

AAR Commercial Company Limited is committed to develop a culture where it is safe for all employees to raise concern about instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct and any poor or unacceptable practice including violation of law in force.

Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board & its Powers) Rules, 2014 read with Regulation 22 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time, requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for its Directors and Employees, to report genuine concerns, and to freely communicate their concerns about illegal or unethical practices.

The Vigil Mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

## **OBJECTIVE**

- To establish a mechanism for Employees and Directors of the Company to report to the Management, concerns about unethical behaviour, actual or suspected fraud, violation of the company's Code of Conduct or ethics policy and instances of leak of unpublished price sensitive information.
- To provide necessary safeguards against victimisation of Employees and Directors who avail of the mechanism.

## **DEFINITIONS**

**'Whistle Blower'** means anyone who has made a complaint/protected disclosure under this policy and also referred to in this policy as complainant.

**'Audit Committee'** is a committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**"Good Faith"** means complainant shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of fraud or any other alleged wrongful conduct. Good Faith shall be deemed lacking when

the complainant does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the fraud or alleged wrongful conduct is malicious, false or frivolous.

**‘Victimization’** means punishment or discrimination against the Whistle Blower selectively or unfairly for making a complaint in good faith.

## **COVERAGE**

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Leakage of Unpublished Price Sensitive Information
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferation of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Breach of Company Policy or failure to implement or comply with any approved Company Policy

## **WHISTLE BLOWER PROTECTION & CONFIDENTIALITY**

- a. Confidentiality: Every effort will be made within parameters of legal constraints to protect the Complainant’s identity.
- b. Ownership of Complaint: Complainant(s) will be obliged to put their names to their complaints and allegations made therein as investigation may not be possible unless the source of the information is identified. Anonymous/pseudo anonymous or frivolous complaint, if not supported by the relevant evidence may not be investigated under this policy.
- c. Malicious Allegations: Complaint or Allegations by any Complainant arising from malicious intent may result in disciplinary/ penal action against such complainant, without prejudice to other legal remedies.
- d. Harassment or Victimization: Harassment or victimization of the Complainant raising a genuine concern by any employee of the Company may constitute sufficient grounds for action under

Discipline and Appeal Rules (DAR) against such errant employee involved in harassment or victimization of the complainant.

- e. Complaint made in Good Faith: If one raises a concern under this Policy, complainant will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing his / her job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further complaint, as a result of reporting under this Policy. The protection is available provided that: (a) the communication/ disclosure is made in good faith, (b) he/ she reasonably believes that information, and any allegations contained in it, are substantially true and (c) he/ she is not acting for personal gain.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

- f. Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **PROCEDURE**

Mr. Arvind Kumar Modi, Company Secretary and Compliance Officer of the Company, has been appointed as the "Vigilance Officer", who can be contacted in writing at the Registered Office of the Company or on telephone at 033-46003498 or on email at [investors.commercial@rediffmail.com](mailto:investors.commercial@rediffmail.com)

He shall be responsible for the following functions:

1. To receive and record any complaints under this policy.
2. To ensure confidentiality of any "Whistle Blowing" complainant who requests that his/her complaint be treated in confidence.
3. To prepare a report of any whistle blowing complaint and send the report promptly to the Audit Committee Members. A copy of the report shall be simultaneously sent to the Managing Director and/or Executive Director for investigation. The Managing Director / Executive Director, after investigation, shall place a report to the Audit



Committee for discussion and decision. The Audit Committee Members shall then discuss the same and take necessary action.

4. The Vigilance Officer shall communicate the Audit Committee's decision to the complainant for his/her information.

#### **REVISION OF POLICY**

Management reserves the right to revise this policy at any time and in any manner without notice. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company. Any change or revision will be communicated appropriately.

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***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.***

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# **AAR COMMERCIAL COMPANY LIMITED**

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## **NOMINATION AND REMUNERATION POLICY**

**[Pursuant to Regulation 19 of the SEBI (Listing Obligations  
and Disclosure Requirements) Regulations, 2015]**

## INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), require the Nomination and Remuneration Committee of a company (hereinafter referred to as “NRC”) to recommend to the Board of Directors a policy, relating to the appointment, removal and remuneration of the directors, key managerial personnel and other employees and to devise a policy on Board diversity.

The Applicable Laws also require NRC to lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework.

The key objectives of the Policy is to guide the Board of Directors of the Company on:

- a) Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- b) Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;
- c) Board Diversity;
- d) Succession plan for Directors, Key Managerial Personnel and employees in Senior Management; and
- e) Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

## DEFINITIONS

**“Act”** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

**“Applicable Laws”** means applicable provisions of the Act and the SEBI Regulations.

**“Board”** means the Board of Directors of the Company.

**“Nomination and Remuneration Committee or NRC”** means a Committee of the Board of Directors of the Company constituted under the applicable laws.

**“Directors”** mean Directors of the Company.

**“Key Managerial Personnel or KMP”:-**

In relation to a Company as defined under sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:

- i. Chief Executive Officer or the Managing Director or the Manager;

- ii. Whole-time director;
- iii. Chief Financial Officer;
- iv. Company Secretary; and
- v. such other officer as may be prescribed under the applicable laws or nominated by the Board.

**“Independent Director”** means a director referred to in Section 149(6) of the Act and under SEBI Regulations.

**“Senior Management Personnel or SMP”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

## **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **1. Appointment Criteria and qualifications**

- i. The NRC will have the responsibility and authority to decide the essential and desirable skills/competencies/expertise/ experience/ criteria of independence required from the individuals for the office of Directors, KMP & SMP.
- ii. The expertise required from the Directors, KMP and SMP would be defined based on the Company’s strategy and needs.
- iii. The NRC shall review the criteria for the role and define the role specifications for the appointment.
- iv. In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.
- v. The appointment of Directors and KMP shall be subject to the compliance of the applicable laws and the Articles of Association of the Company.
- vi. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 75 (seventy five) years. Provided that the appointment of such a person who has attained the age of 75 (seventy five) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 75 (seventy five) years.

### **2. Term**

*Managing Director/ Whole-time Director:*



The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re- appointment shall be made earlier than 1 (one) year before the expiry of term.

### **3. Independent Director**

- i. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- iii. At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

### **4. Board Evaluation**

The Board is committed to assessing the performance of the Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board. The evaluation of the Independent Directors shall also include evaluation of the fulfilment of the independence criteria as specified under the applicable laws and their independence from the Management.

The Board is responsible for:

- i. monitoring and reviewing of the Board Evaluation framework;
- ii. carrying out evaluation of the performance of the Board, its Committees and individual directors, wherein the director subject to evaluation shall not participate; and
- iii. evaluating the fulfilment of independence criteria of the Independent Directors as per the applicable laws and review their independence from the management.

The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management. Such meeting shall:

- i. review the performance of Non-independent Directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of Executive Director(s) and Non-executive Directors;
- iii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- iv. discuss such other matters as the Independent Directors may deem fit;

## **5. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, thereunder, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

## **6. Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **7. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management**

- i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

## **8. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management**

- i. Fixed Pay

- ii. The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F.), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- iii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V to the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- iv. Provisions for excess remuneration: If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

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***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.***

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# **AAR COMMERCIAL COMPANY LIMITED**

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## **POLICY ON RELATED PARTY TRANSACTIONS**

**[Pursuant to Regulation 23(1) of the SEBI (Listing Obligations  
and Disclosure Requirements) Regulations, 2015]**



## **INTRODUCTION**

The Board of Directors of AAR Commercial Company Limited (hereinafter referred to as the 'Company'), acting upon the recommendation of its Audit Committee of Directors, has approved the policy on Related Party Transactions for reviewing, approving and ratifying Related Party transactions and in providing disclosures with respect to the above transactions, as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, rules and regulations made there under. The policy is also in terms with Indian Accounting Standard – 24 issued by the ICAI (Institute of Chartered Accountants of India) and any subsequent amendments thereto.

This Policy specifically deals with the review and approval of material Related Party Transactions, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

## **APPLICABILITY**

This Policy as approved by the Board of Directors shall be applicable to transactions entered into with:-

- a) Board of Directors & their Relatives;
- b) Key Managerial Personnel (KMP) of the Company & their Relatives;  
and
- c) Related Parties, as defined hereinafter.

## **OBJECTIVE**

This Policy is framed to ensure due and proper compliance of the provisions of SEBI LODR and Companies Act, 2013 and proper reporting of transactions between the Company and its Related Parties. The objective of this Policy is to govern the transparency of approval process and disclosure requirements and to accord fairness in the treatment of related party transactions.

## **DEFINITIONS AND INTERPRETATIONS**

**“Act”** means the Companies Act, 2013, and rules made there under as amended from time to time.

**"Associate company"**, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company and as definition amended from time to time.

**Explanation** — *"significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement.*

**"Audit Committee"** means a committee constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013, from time to time.

**"Board of Directors"** means the Board of Directors of the Company, as constituted from time to time.

**"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

**"Key Managerial Personnel"** as defined under Section 2(51) of the Companies Act, 2013 includes:-

1. the Chief Executive Officer or the Managing Director or the Manager (as defined in Section 2(53) of the Companies Act, 2013);
2. the Company Secretary;
3. the Whole-time Director;
4. the Chief Financial Officer.
5. such other officer as may be prescribed under the Companies Act, 2013 and Rules thereunder.

**"Arm's length transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**"Material Related Party Transaction" –**

A related party transaction shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds –

- i. ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company; or
- ii. two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity.

**“Related Party”** shall have the meaning ascribed to it in Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act, including all amendments and modifications thereof from time to time.

**“Policy”** means Policy on Related Party Transactions.

**“Related Party(ies)”**

Related Party under Section 2(76) of the Act and Rule 4 of Companies (specification of definitions details) Rules, 2014 means:

- i. a director or his relative;
- ii. a key managerial personnel or his relative;
- iii. a director (other than independent director) or KMP of holding Company or his relative
- iv. a firm, in which a director, manager or his relative is a partner;
- v. a private company in which a director or manager or his relative is a member or director;
- vi. a public company in which a director or manager is a director and holds with his relatives, more than two per cent of its paid-up share capital;
- vii. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager
- viii. any person on whose advice, directions or instructions a director or manager is accustomed to act:  
Provided that nothing in sub-clauses (vii) and (viii) shall apply to the advice, directions or instructions given in a professional capacity.
- ix. any body corporate which is —
  - (A) a holding, subsidiary or an associate company of such company; or
  - (B) a subsidiary of a holding company to which it is also a subsidiary; or
  - (C) an investing company or the venturer of the company

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- x. Such other person, as may be prescribed by MCA/SEBI.

**Related Party under Regulation 2 (1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Under this Regulation, an entity shall be considered as related to the company if -

1. such entity is a related party under Section 2(76) of the Companies Act, 2013; or
2. such person or entity is forming part of promoter or promoter group and is holding 20% or more of shareholding in the Company.
3. such entity is a related party under the applicable accounting standards (given below)

**Related Party under Ind-AS 24:**

Applicable for listed companies and for disclosures under the Standard to person or entity that is related to the company. A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity'):

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control of the reporting entity;
- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the

- reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Further, under Ind-AS 24, in the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

**“Relative”**, with reference to any person, means anyone who is related to another, if —

- i. they are members of a Hindu Undivided Family;
- ii. they are husband and wife; or
- iii. one person is related to the other in such manner as may be prescribed, which is as follows:
  - (a) Father (including step-father)
  - (b) Mother (including step-mother)
  - (c) Son (including step-son)
  - (d) Son’s wife
  - (e) Daughter
  - (f) Daughter’s husband
  - (g) Brother (including step-brother)
  - (h) Sister (including step-sister)

**“Significant Influence”** is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

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.

#### **DETAILS REQUIRED FOR ASCERTAINING RELATED PARTY**

1. Declaration/Disclosure of interest by all the Directors and KMPs’ in form MBP-1.
2. Declaration of relatives by all Directors and KMPs’.

3. Declaration about a firm in which a Director/ Manager or his relative is a partner.
4. Declaration about a private Company in which a Director or Manager or his relative is a member or director.
5. Declaration regarding a public company in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid-up share capital.
6. Notices from Directors of any change in particulars of Directorship or in other positions during the year.
7. Declaration by Holding Company regarding its Directors/ KMPs' and their relatives.
8. Details of any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company.
9. Details of any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in point no.8 & 9 shall apply to the advice, directions or instructions given in a professional capacity.

10. Details of any Company which is
  - (a) a holding, subsidiary or an associate company of such company; or
  - (b) a subsidiary of a holding company to which it is also a subsidiary.
11. Persons/entities identified under Ind-AS 24.

#### **TYPE OF TRANSACTIONS COVERED**

- A. Under Section 188 of the Companies Act, 2013 , following transactions will be covered –
  - 1) Sale, purchase or supply of any goods or materials;
  - 2) selling or otherwise disposing of, or buying, property of any kind;
  - 3) leasing of property of any kind;
  - 4) availing or rendering of any services;
  - 5) appointment of any agent for purchase or sale of goods, materials, services or property etc.
  - 6) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
  - 7) underwriting the subscription of any securities or

8) derivatives thereof, of the company.

B. Under Regulation 2 (1)(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following shall be covered –

1) Transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

C. Under Indian Accounting Standard 24, all transactions involving transfer of resources or obligations between the Company and its related parties, regardless of whether or not a price is charged. To name a few, following will covered –

- 1) purchases or sales of goods;
- 2) purchases or sales of property and other assets;
- 3) rendering or receiving of services;
- 4) leases
- 5) transfer of research and development;
- 6) Transfer under license agreements;
- 7) Transfer under finance (including loans and equity contributions in cash or in kind);
- 8) guarantees and collaterals;
- 9) Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised);
- 10) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party; and
- 11) management contracts including for deputation of employees.

## **APPROVAL OF TRANSACTIONS**

### **(A) Approval of transactions through Audit Committee**

Prior approval of Audit Committee for all Related Party Transactions. However, the Audit Committee may grant an omnibus approval for a period of maximum one year for those proposed related party transactions, which are in ordinary course of business and at arms' length and are repetitive in nature (for e.g. sale/purchase of securities etc), subject to the following conditions –



The proposal to be placed before the Audit Committee should contain following information –

- a) The name(s) of related party, nature of transactions, period/duration of transactions, maximum amount of per transaction that can be entered into and maximum value of the transactions in aggregate which can be allowed under the omnibus route in a financial year;
- b) The indicative base price/current contracted price and the formula for variation in the price, if any; and
- c) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

All transactions entered into above omnibus approval, be put up to the Audit Committee on quarterly basis for its review. All the related party transactions entered under omnibus route be certified by the Internal Auditors on quarterly basis.

In case of non-repetitive transactions, the agenda of the Audit Committee at which the item is proposed to be moved shall disclose –

- a. the name of the related party and nature of relationship;
- b. the nature, duration/period of the contract and particulars of the contract or arrangement;
- c. the material terms of the contract or arrangement including the value, if any;
- d. any advance paid or received for the contract or arrangement, if any;
- e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and

- g. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- h. statement of transactions as per the contracts/arrangements.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement. The MD and ED & CFO should certify whether the contracts/transactions are at arm's length. Similarly the internal auditors should examine the entire documentation and certify the same.

### **(B) Approval of transactions through Board of Directors**

Approval of the Board is required:

- a. for all contracts/arrangements/transactions which are not on arm's length basis or are not in ordinary course of business;
- b. For all "material" related party transactions. These have to be approved by the shareholders through Ordinary Resolution; therefore they should first be approved by the Board.

The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose –

- a) the name of the related party and nature of relationship;
- b) the nature, duration of the contract and particulars of the contract or arrangement;
- c) the material terms of the contract or arrangement including the value, if any;
- d) any advance paid or received for the contract or arrangement, if any;
- e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- g) any other information relevant or important for the Board to take a decision on the proposed transaction.
- h) statement of transactions as per the contracts /arrangements.

Where any director is interested in any contract or arrangement with a related party, such director should not be present at the meeting during discussions on the agenda item relating to such contract or arrangement.

### **(C) Approval of transactions through shareholders**

Except with prior approval of shareholders, the company shall not enter into transaction(s), where the transaction(s) to be entered into as contracts or

arrangements with respect to Section 188(1)(a) to (e) of the Companies Act, 2013, with the criteria as mentioned below –

- i. sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- ii. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten percent of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
- iii. leasing of property of any kind exceeding ten percent of the net worth of the company or ten percent of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
- iv. availing or rendering of any services, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188;

## **DEVIATIONS**

### **By Audit Committee**

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate. In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

### **By Board of Directors and shareholders**

If any related party transaction is entered without obtaining the consent of the Board or Shareholders, as the case may be, the same need to be get ratified by the Board or the shareholders, as the case may be, within three months from the date on which such related party transaction was entered into. The Board shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to it under this Policy and shall take any such action it deems appropriate. If the related party transaction has not been ratified by Board or Shareholders as mentioned above, such related party transaction shall be voidable at the option of the Board or, as the case may be, of the Shareholders and if the related party transaction is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

### **DISCLOSURE**

The Company shall disclose the Policy on dealing with Related Party Transactions on its website and provide web link in the Annual Report. In addition to the disclosures required under Accounting Standards, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

***The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.***

### **AMENDMENTS AND UPDATES**

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate. In addition to guidelines for ongoing Related Party Transactions, the Audit Committee may, as it deems appropriate and reasonable, establish from time to time guidelines regarding the review of other Related Party Transactions. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The policy

shall be reviewed by the board of directors at least once every three years and updated accordingly.

## **GENERAL**

The Policy would be subject to revision/amendment in accordance with the Laws. The Audit Committee shall review the Policy at least once in three years for making suitable amendments for better implementation of the Policy. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. The power to interpret and administer the Policy shall rest with the Chairman of the Audit Committee whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or tabled before the Audit Committee, from time to time, to ensure the Committee's oversight on these issues.

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***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.***

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**AAR COMMERCIAL  
COMPANY LIMITED**

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**CODE OF CONDUCT  
FOR  
PREVENTION  
OF  
INSIDER TRADING**

## **INTRODUCTION**

The Board of Directors of AAR Commercial Company Limited (hereinafter referred to as “the Company”) has adopted this Insider Trading Policy (hereinafter referred to as the “Policy”) to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018.

This policy shall be applicable to all Insiders (as defined herein) of the Company including designated persons and immediate relatives of designated persons as defined in this policy. The SEBI Regulations prohibit an Insider from Trading in the securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information.

Trading on insider information is not only illegal, but also tarnishes corporate credibility of the Company. The Company is committed to ensuring transparency and fairness in dealing with all stakeholders of the Company.

The objective of the Regulations is to prevent Insider Trading by prohibiting trading, communicating, counselling or procuring Unpublished Price Sensitive Information. Insider Trading is an unethical practice resorted to by those in power and privy to certain unpublished price sensitive information relating to a company to profit at the expense of the general investors who do not have access to such information.

## **DEFINITIONS**

**“Act”** shall mean the Securities and Exchange Board of India Act, 1992 (15 of 1992).

**“Audit Committee”** shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Board of Directors” or “Board”** shall mean the Board of Directors of the Company including any committee of the Board.

**“Compliance Officer”** means the Company Secretary of the Company.

**“Connected Person,”** means and includes –



- i. A director of the Company;
- ii. A Key Managerial Personnel of the Company;
- iii. An Officer of the Company;
- iv. Any person who is or has been in a contractual, fiduciary or employment relationship at any time in the six- month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly,
  - (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;
- v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six-month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly,
  - (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;
- vi. An employee of the Company who has access to Unpublished Price Sensitive Information (UPSI) or is reasonably expected to have access to Unpublished Price Sensitive Information (UPSI);
- vii. Any person who has a professional or business relationship with the Company and that relationship directly or indirectly,
  - (a) allows access to UPSI or (b) is reasonably expected to allow access to UPSI;

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI –

- a) An Immediate Relative of Connected Persons;
- b) A holding company, associate company or subsidiary company;
- c) An intermediary as specified in section 12 of the SEBI Act or an employee or director thereof;
- d) An investment company, trustee company, asset management company or an employee or director thereof;
- e) An official of a stock exchange or of clearing house or corporation;
- f) A member of the board of trustees of a mutual fund, a member of the board of directors of the asset management company of a mutual fund or in each case, an employee thereof;
- 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;
- h) An official or an employee of a self-regulatory organization recognized or authorized by the SEBI;

- i) A banker of the Company; and
- j) A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than ten percent of the holding or interest.

**“Designated Person”** means and includes –

- i. Promoters of the Company
- ii. Directors of the Company and its subsidiaries;
- iii. All employees in the Finance and Accounts Department, Corporate Planning Department, Legal Department, Enterprise Risk Management Department, Corporate Strategy, Information Security and any other departments of the company and its material subsidiaries, if any on the basis of their functional role or access to unpublished price sensitive information;
- iv. Chief Executive Officer and employees up to two levels below Chief Executive Officer of the Company and material subsidiaries.
- v. Executive Secretaries of Directors and Executive Officers of the Company, any support staff of the company, such as IT staff or secretarial staff who have access to unpublished price sensitive information;
- vi. Immediate Relatives of persons specified in (I) to (V) above
- vii. Any other Person designated by the Company on the basis of their functional role and such function would provide access to UPSI;

**“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.

**“Director”** shall have the meaning assigned to it under the Companies Act, 2013.

**“Immediate Relative”** of a person means a spouse or the parent, sibling or child of that person or his or her spouse, if they are either dependent financially on such person or consult such person in taking decisions relating to Trading in securities.

**“Insider”** means any person who is:

- (i) a Connected Person or
- (ii) in possession of or having access to UPSI.

**“Key Managerial Personnel”** in relation to a company, means:

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Whole-time director;
- iii. the Chief Financial Officer;
- iv. the Company Secretary and
- v. Such other officer as may be prescribed by the Companies Act 2013.

**“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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

**Promoter and Promoter Group –**

**“Promoter”** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

**“Promoter Group”** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

**“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.

**“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, pledge, unpledge, deal in the company’s securities either directly or through portfolio management services, and “trade” shall be construed accordingly.

**“Unpublished Price Sensitive Information (UPSI)”** shall have the meaning as defined under the SEBI Insider Trading Regulations which 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 and such other transactions;
- v. changes in key managerial personnel; and
- vi. material events in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended.

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.

#### **DUTIES OF THE COMPLIANCE OFFICER**

The Company shall appoint any senior person as the Compliance Officer who shall report to the Board on matters relating to prevention of Insider trading as specified in the Policy. His duties shall include the following:

- He shall be responsible for monitoring implementation of the Policy under the overall supervision of the Board;
- He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons;
- He shall assist all the employees in addressing any clarification regarding the “Company’s Policy on Prevention of Insider Trading” and SEBI Insider Trading Regulations;
- He may in consultation with the Chairman and/or Managing Director and shall as directed by the Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- He shall ensure that prohibited period is intimated to all concerned before the commencement of the said period;
- He shall maintain records of all the declarations submitted in the appropriate form given by the Designated Persons;
- He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under rules and regulations promulgated by SEBI or the Stock Exchanges;
- He shall place details of the dealing in the securities by Designated Persons before the Managing Director/Chief Executive Officer on quarterly basis and the accompanying documents that such persons had executed under the pre-dealing procedure as mentioned in this Policy.
- He shall implement the punitive measures or disciplinary action prescribed for any violation or contravention of the Code of Conduct;

- He shall do all such things as provided in the SEBI Insider Trading Regulations and as may be prescribed by SEBI from time to time.

#### **MAINTENANCE OF CONFIDENTIALITY**

- Insider Persons shall maintain the confidentiality of all unpublished price sensitive information. Such persons shall also not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities etc.
- Unpublished Price Sensitive Information is to be handled on a "need to know basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within the Company who need such information to discharge their duties.
- All files, whether electronic or manual, containing confidential information shall be kept secure.

#### **PROHIBITION ON COMMUNICATING OR PROCURING UPSI**

An Insider shall not –

- i. communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other Insiders, except to the extent allowed by these Rules or SEBI Regulations; or
- ii. procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate notice, confidentiality and non-disclosure agreements being executed; or
- ii. in the event the Board of Directors directs or causes the public disclosure of UPSI in the best interest of the Company; or
- iii. within a group of persons if such persons have been identified and secluded within a "chinese wall" or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the "chinese wall", and the execution of an undertaking by such persons to abstain and / or forego Trading during such

seclusion or till the UPSI no longer constitutes UPSI and has become generally available.

## **PROHIBITION ON INSIDER TRADING**

An Insider shall not, directly or indirectly, –

- i. Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- ii. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the restriction in **(i)** above shall not apply to:

- 1) a transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of this Code of Conduct and both parties had made a conscious and informed trade decision; and
- 2) Trades pursuant to a Trading Plan set up in accordance with this Code of Conduct. When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

## **TRADING WINDOW**

- 1) The Compliance Officer shall notify a ‘trading window’ during which the Designated Persons may Trade in the Company’s securities after securing pre-clearance from the Compliance Officer in accordance with these Rules. The competent authority for pre-clearing the Trade of Compliance Officer shall be Board.
- 2) Designated Persons shall not Trade in the Company’s securities when the trading window is closed.
- 3) The trading window shall generally be closed for all Insiders between the sixteenth day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after disclosure of such financial results.
- 4) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of

Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer. Designated Person or class of Designated Persons will receive a notification on such special blackout periods.

- 5) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.

## **PRE-CLEARANCE OF TRADING**

- 1) Designated Persons may trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application as per **Annexure 1** and an undertaking as per **Annexure 2**.
- 2) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- 3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.
- 4) The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per **Annexure 3**. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- 5) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.
- 6) Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
- 7) A Designated Person who Trades in securities of the Company without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.



## **ADDITIONAL TRADING RESTRICTIONS ON DESIGNATED PERSONS**

- 1) No Insiders shall enter into derivative transactions in respect of the securities of the Company.
- 2) All Designated Persons who Trade in the securities of the company shall not enter into a contra trade during the next six months following the prior transaction. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI.
- 3) The above restriction on contra trade shall not apply in case of exercise / sale of ESOP shares provided the Designated Persons do not possess UPSI and the sale is executed when the trading window is open and after obtaining pre-clearance.

## **TRADING PLAN**

- 1) A Designated Person shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a “Trading Plan”) and present it to the Compliance Officer for approval and public disclosure. The trading plan may be executed only after the plan is approved by the Compliance officer and disclosed to the stock exchanges on which the securities of the Company are listed.
- 2) Designated person shall not exercise any influence over the amount of securities to be traded, the price at which they are to be traded, or the date of the trade. Designated person may delegate discretionary authority to his/her broker, but in no event Designated person may consult with the broker regarding executing transactions, or otherwise disclose information to the broker concerning the Company that might influence the execution of transactions, under the Trading Plan after it commences.
- 3) The Trading Plan once approved shall be irrevocable and the Designated Person shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Designated Person is in possession

of UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information.

## **PENALTY FOR CONTRAVENTION**

- 1) Every Employee and Designated Person shall be individually responsible for complying with the applicable provisions of this Policy (including to the extent the provisions hereof are applicable to their immediate relatives).
- 2) The persons who violate this Policy shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action which in respect of an employee may include wage freeze, suspension or termination of employment.
- 3) Action taken by the Company for violation of the Policy against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.
- 4) In case it is observed by the Compliance Officer that there has been a violation of the Policy by any person, he/she shall forthwith inform the Compensation Committee of the Company about the violation. The penal action will be initiated on obtaining suitable directions from the Compensation Committee.
- 5) The Compliance Officer shall simultaneously inform SEBI about such violation. The person, against whom information has been furnished by the Company/Compliance Officer to SEBI for violations of the Policy, shall provide all information and render necessary co-operation as may be required by the Company/Compliance Officer or SEBI in this connection.

## **DISCLOSURE REQUIREMENTS**

### **1) Initial Disclosure:**

- a. Every Promoter, member of the promoter group, Key Managerial Personnel, director of the Company and each of their Immediate Relatives shall disclose his holding of securities of the Company within thirty days of these Rules taking effect as per Form A set out in **Annexure 4**.

- b. Every person, on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter or member of the promoter group, shall disclose his / her and Immediate Relatives' holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter, as per Form B set out in **Annexure 5**.
- c. Every Designated person shall disclose details like Permanent Account Number, names of educational institutions from which they have graduated and names of their past employers.

## **2) Continual Disclosure:**

- a. Every Designated person shall 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:
  - Immediate relatives
  - persons with whom such designated person(s) shares a material financial relationship
  - Phone and mobile numbers which are used by them
- b. Every Promoter, member of the promoter group, designated person, director of the Company and each of their Immediate Relatives shall disclose as per Form C set out in **Annexure 6** to the Company the number of such securities 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 Rs. Ten lakhs.
- c. The disclosure shall be made within two working days of:
  - the receipt of intimation of allotment of shares, or
  - the acquisition or sale of shares or voting rights, as the case may be.

## **3) Disclosure to the Stock Exchange:**

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

## **4) Disclosures by other Connected Persons**

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per Form D set out in **Annexure 7** at such frequency as he may determine.

5) All Designated Persons must make an annual disclosure of the number of Securities of the company held as on 31st March each year by them including details of purchase / sale of securities of the Company during the financial year to the Compliance Officer. This disclosure must be made within 30 (thirty) days from the close of each financial year.

## **MISCELLANEOUS**

- 1) The Board of Directors shall be empowered to amend, modify, and interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.
- 2) The Compliance Officer shall provide the Audit Committee of the Board, on a quarterly basis, all the details of Trading in securities by the Designated Persons including any violations of the Rules.
- 3) The Compliance Officer shall maintain
  - (a) an updated list of Designated Persons,
  - (b) records of disclosures and pre-clearance applications and undertakings for a period of five years and
  - (c) a confidential list of any 'restricted securities' to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such 'restricted securities'.
- 4) The Company shall require all Connected Persons to formulate and adhere to a code of conduct to achieve compliance with these Rules. In case such persons observe that there has been a violation of these Rules, then they shall inform the Board of Directors of the Company promptly.
- 5) The Company has adopted the amended 'Code of practice and procedures for fair disclosure of Unpublished Price Sensitive Information' available at **www.aarccl.in** to regulate the Company's practices and procedures for fair disclosure of UPSI.
- 6) It is the responsibility of the Connected Person to ensure compliance with the Code of Conduct. In case of any doubt a written correspondence should be done with the Compliance Officer and no action should be taken till the doubt is clarified in writing.

## **CONTACT DETAILS OF COMPLIANCE OFFICER**

**Name:** Arvind Kumar Modi

**Designation:** Company Secretary & Compliance Officer

**Contact No:** 033-46003498

**E-mail ID:** [investors.commercial@rediffmail.com](mailto:investors.commercial@rediffmail.com)

**Registered Office Address:**

1, British India Street (Old Complex),

Mezzanine Floor, Room No. 20,

Kolkata – 700069

West Bengal

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***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.***

**APPLICATION FOR PRE-TRADING APPROVAL**

To,  
The Compliance Officer,  
AAR Commercial Company Limited,

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. I declare that I am not in possession of any unpublished price sensitive information.

1.	Name of the applicant & If applicable Name of the relative	
2.	Designation	
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	
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:**

**UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR  
PRE- CLEARANCE**

To,  
The Compliance Officer,  
AAR Commercial Company Limited,

I, ....., being a ....., of the company 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:**



**DISCLOSURE OF TRANSACTIONS WITH REFERENCE TO  
PRE-CLEARANCE APPROVAL OBTAINED**

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

To,  
The Compliance Officer,  
AAR Commercial Company 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 Code of Conduct and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

**Signature:** \_\_\_\_\_

**Name:**

**Date:**

## FORM A

**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director 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)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	

**Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
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 &amp; Signature: \_\_\_\_\_

Designation:

Date:

Place:

**FORM B**  
**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (1) (b) read with Regulation 6 (2) – Disclosure on becoming a Director/KMP/Promoter]**

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:



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

**Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other 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)	
15	16	17	18	19	20	21

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

**Name & Signature:** \_\_\_\_\_

**Designation:**

**Date:**

**Place:**



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

**Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other 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)	
15	16	17	18	19	20	21

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

**Name & Signature:** \_\_\_\_\_

**Designation:**

**Date:**

**Place:**

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**AAR COMMERCIAL  
COMPANY LIMITED**

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**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.

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***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.***

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# **AAR COMMERCIAL COMPANY LIMITED**

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## **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.

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***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.***

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**AAR COMMERCIAL  
COMPANY LIMITED**

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**POLICY FOR DETERMINATION  
OF  
MATERIAL SUBSIDIARIES**

## **INTRODUCTION**

The Board of Directors of AAR COMMERCIAL COMPANY LIMITED (hereinafter referred to as “Company”) has adopted the following policy and procedures with regard to determination of material subsidiaries in accordance with Regulation 16(1)(c) and Regulation 24 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 this Policy is to set forth the criteria towards ascertaining Material Subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

## **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.

**“Audit Committee”** means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

**“Independent Director”** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the Listing Regulations.

**“Subsidiary Company”** is a company which shall be as defined under the Act.

**“Unlisted Subsidiary”** means subsidiary whose securities are not listed on any recognized Stock Exchanges.

**“Material Subsidiary”** shall mean a Subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of listed entity and its Subsidiaries in the immediately preceding accounting years.

**“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case

may be, of the unlisted subsidiary for the immediately preceding accounting year.

### **PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY**

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.
4. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 (1) (c), the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
5. The Company shall not dispose of shares in its material subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
6. Selling, disposing and leasing of assets amounting to more than 20 % of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

### **DISCLOSURES**

The Material Subsidiaries Policy shall be disclosed on the Company’s website i.e [www.aarccl.in](http://www.aarccl.in) & a web link thereto shall be provided in the Annual Report.

## **AMENDMENTS**

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure the objective of good corporate governance.

## **LIMITATIONS**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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***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.***

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**AAR COMMERCIAL  
COMPANY LIMITED**

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**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:
  - o Discontinuity or alteration of event or information already available publicly or
  - o 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:
  - o 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](http://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.

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***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;

## BRIEF PROFILE OF MR. UDIT AGARWAL

1.	<b>Name of the Director</b>	Mr. Udit Agarwal
2.	<b>Father's Name</b>	Naveen Agarwal
3.	<b>Address</b>	Block - C, Flat - 519 G, 202, Jessore Road, Shyam Lake Garden, Lake Town, Kolkata - 700089
4.	<b>Date of Birth</b>	15-11-1987
5.	<b>Designation</b>	Non-Executive Independent Director
6.	<b>Date of First Appointment on the Board</b>	06-12-2014
7.	<b>Date of Re-appointment</b>	13-08-2019 (Re-appointment will be effective from 06-12-2019 subject to approval of the members at the ensuing annual general meeting of the Company.)
8.	<b>Qualifications</b>	Company Secretary
9.	<b>Expertise in specific functional areas</b>	Mr. Udit Agarwal, aged about 32 years, is a qualified Company Secretary with over 5 years of work experience in finance, accounts and law. He possesses vast experience in the field of finance, accounts and corporate law matters. His continuing guidance will be very valuable to the company and will undoubtedly prove to be an advantage to our organization.
10.	<b>Directorship in Companies</b>	NIL
11.	<b>No. of Shares held in the Company</b>	NIL
12.	<b>Relationship with the Directors of the Company</b>	No relation
	<b>Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and</b>	Mr. Udit Agarwal is an Independent Director of the Company. He was appointed as an Independent Director on the Board of the Company for a period of five years and his first

*Agarwal*



	<p><b>remuneration last drawn by such person</b></p>	<p>tenure as an Independent Director completes on December 5, 2019. He will be appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from December 6, 2019 up to December 5, 2024.</p> <p>Apart from receiving sitting fees he has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives.</p> <p>Remuneration drawn in Financial Year 2018-19 is Rs. 8000 as sitting fees.</p>
<p>13.</p>	<p><b>Job Responsibilities/Function/Roles of an Independent Director</b></p>	<p><b><u>Job Responsibilities inter alia include:</u></b></p> <p>As an Independent Director, besides the functions and duties applicable to every director, or the functions or duties of the Board collectively, an Independent Director has several duties as set out in Schedule IV of the Companies Act, 2013.</p> <p><b>Committees to be served</b> – Required serving as a member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Operational Committee and or any other Committee of the Board as may be required to be formed over the period of time. The tasks to be accomplished being a part of each of the above-mentioned committee are as per the terms of reference set out by the Board of the Company, from time to time, for each such committee. Independent Director will also be required to serve on any other committee of the Board constituted by the Board from time to time.</p>

*Agarwal*



14.	<b>Remuneration proposed to be paid</b>	Sitting fees as applicable
15.	<b>Reason for Change</b>	Re-appointment of Mr. Udit Agarwal as a Non-Executive Independent Director for a Second Term of 5 (Five) consecutive years effective from December 6, 2019 subject to approval of the members at the ensuing annual general meeting.



**UDIT AGARWAL**  
**DIN: 07036864**

Place: Kolkata  
Date: 13.08.2019