

# AAR COMMERCIAL COMPANY LIMITED

CIN: L63090WB1982PLC035019

## CODE OF CONDUCT FOR REGULATION, MONITORING AND REPORTING OF TRADING BY INSIDERS

### INTRODUCTION

Insider trading means dealing in securities of a company listed/traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "The Regulations").

Sub-regulation (1) of Regulation 9 inter alia, requires all listed companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders by adopting the minimum standards as set out in Schedule B to the Regulations.

Sub-regulation (1) of Regulation 8 requires all listed companies to formulate and publish on its website, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations. AAR COMMERCIAL COMPANY LIMITED ("AARCCL") has formulated this Code of Conduct called 'AARCCL's Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders' ("Code"). All the Directors, Designated Persons, officers and other connected persons of AARCCL are governed by the Code.

The Code is approved by the Board of Directors of the company on **14th May, 2015 and shall be effective with immediate effect.**

All the Directors, Designated Persons, officers and connected persons of AARCCL are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Code.

### 1. THE POLICY AND OBLIGATIONS

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive



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Information ("UPSI") and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer, Designated Person and connected person of the Company has a duty to safeguard the confidentiality of all such UPSI obtained in the course of his or her work at the Company. No Director, Officer, Designated Officer and connected persons may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, AARCCL (hereinafter referred to as "the Company") hereby notifies that this code of conduct is to be followed by all directors, officers, Designated Persons and connected persons.

## 2. APPLICABILITY

This Code shall apply to all Directors, Designated Persons, officers and connected persons of AARCCL.

## 3. DEFINITIONS

(i) "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992) (including any amendment or re-enactment thereof);

(ii) "**Body corporate**" means a body corporate as defined under the Companies Act, 2013;

(iii) "**Company**" or "**the Company**" means AAR COMMERCIAL COMPANY LIMITED

(iv) "**Compliance Officer**" means the Company Secretary of the Company

(v) "**Connected Person**" means any person who—

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that



allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:

(a) an immediate relative of connected persons specified in clause (i); or

(b) a holding company or associate company or subsidiary company; or

(c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or

(d) an investment company, trustee company, asset management company or an employee or director thereof; or

(e) an official of a stock exchange or of clearing house or corporation; or

(f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

(g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or

(h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

(i) a banker of the company; or

(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest.

(vi) "**Trading**" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities and "trade" shall be construed accordingly.

**vii) Designated Person' shall mean:**

Employees and connected persons designated on the basis of their functional role. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.



**(viii) "immediate relative"** shall mean a spouse of a person and includes parents, sibling, child of such person or of the spouse, any one of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

**(ix) 'Free Period'** means any Period other than the Prohibited Period.

**(x) "insider trading"** means—

(i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or

(ii) an act of counselling about procuring or communicating directly or indirectly any nonpublic price-sensitive information to any person;

**(xi) "Insider"** means any person who is,

(i) a connected person, or

(ii) in possession of or having access to such unpublished price sensitive information.

**(xii) "Unpublished Price Sensitive Information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following-

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions.

(v) changes in key managerial personnel;

(vi) material events in accordance with the listing agreement;

**(xiii) 'Prohibited Period' means;**

1. Period as defined in clause 7.3 of this code



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2. Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman & Managing Director.

(xiv) **'Trading Window'** shall have the meaning ascribed thereto in clause 7 of the Code.

(xv) **"Trading day"** means a day on which the recognized stock exchanges are open for Trading.

(xvi) **"generally available information"** means information that is accessible to the public on a non-discriminatory basis.

(xvii) **"promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

(xviii) **"securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

#### **4 COMPLIANCE OFFICER**

The Company has appointed the Company Secretary as Compliance Officer who shall report to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board. In the absence of the designated/appointed Compliance Officer, the Chairman shall be authorised to appoint a person to act as the Compliance Officer in the period of absence.

##### **4.1 Duties of Compliance Officer:**

1. He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons.



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