



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FAIR DISCLOSURE OF UNPUBLISHED PRICE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

aarvee engineering consultants limited



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CODE OF PRACTICES AND PROCEDURES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. INTRODUCTION

- 1.1. This Code of practices and procedures of fair disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the “Code”) is framed pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”), as amended from time to time. The Code will be followed by the Company with an intent to adhere to each of the principles set out in Schedule A to the Regulations without diluting the provisions of the Regulations in any manner.
- 1.2. The Code also includes “**Policy for determination of legitimate purposes**” which is required to form a part of the Code as stipulated in Regulation 3(2A) of SEBI (PIT) Regulations, 2015.

2. OBJECTIVE

The Company is dedicated to safeguarding the confidentiality of Unpublished Price Sensitive Information (UPSI) and preventing its unauthorized use. It upholds a strong commitment to transparency, fairness, and compliance with all relevant laws and regulations in its interactions with stakeholders. Each Director, Officer, and Designated Person of the Company is entrusted with the responsibility to protect sensitive information obtained during the course of their duties. They must refrain from using their position for personal advantage.

3. DEFINITIONS

- 3.1. “**Act**” means the Securities and Exchange Board of India Act, 1992;
- 3.2. “**Board**” means the Securities and Exchange Board of India.
- 3.3. “**Company**” means Aarvee Engineering Consultants Limited.
- 3.4. “**Code**” or “**Code of Conduct**” shall mean the Code of Conduct to Regulate, Monitor and Report trading by insiders of the Company as amended from time to time.
- 3.5. “**Compliance Officer**” means Company Secretary or such other senior officer, who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- 3.6. “**Connected Person**” shall have the meaning given to it under Regulation 2(d) of the Regulations.



- 3.7. **“Contra Trade”** means a trade or transaction which involves buying or selling any number of Securities of the Company and within 6 (six) months of trading or transacting in an opposite transaction involving such sell or buy following the prior transaction.
- 3.8. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- 3.9. **“Immediate relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
- 3.10. **“Insider”** means any person who is:
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- 3.11. **“Regulations”** mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- 3.12. **“Unpublished Price Sensitive Information” (“UPSI”)** 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 include but is 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.
- 3.13. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 and Rules, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 or any other applicable law or regulation and as amended from time to time.

4. PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 4.1. 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.
- 4.2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure. One of the ways the Company will ensure such a dissemination is by



informing the matter to the stock exchanges, where the shares are listed, and website of the Company.

- 4.3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
- 4.4. The Company shall ensure prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 4.5. The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 4.6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- 4.7. The Company shall ensure to 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.
- 4.8. The Company shall handle all Unpublished Price Sensitive Information on a need-to know basis.

5. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

- 5.1. The term '**Legitimate Purposes**' includes sharing of Unpublished Price Sensitive Information ("UPSI") in the ordinary course of business on a need to know basis, 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 SEBI (Prohibition of Insider Trading) Regulation, 2015.

5.2. Principles for determining legitimate purpose

Any person who is seeking or providing UPSI should bear in mind the following principles:

- i. The person seeking information must have authority, power and capacity to seek the information.
- ii. The person providing information must have authority, power and capacity to provide the information.
- iii. The purpose for which information is sought or is to be provided must be disclosed.
- iv. Is the information necessary for the purpose?
- v. The information to be shared would not serve its purpose if it is shared after it is publicly disclosed, and the sharing of the same forthwith or within a reasonable time is necessary for the purpose.

- vi. The requirement of information should not be conditional or qualified.
- vii. Whether the information is sought or is provided for meeting any regulatory/legal requirement?
- viii. Whether the information is sought or is provided to any regulator?
- ix. Information sought or shared should not be for the purpose of trading in securities of the Company.
- x. Would the information sharing circumvent any law?

5.3. Sharing of UPSI in certain cases

5.3.1. Notwithstanding anything contained in the PIT Regulation and this Code, an Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-

- (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interest of the Company;
- (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interest of the company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

6. STRUCTURED DIGITAL DATABASE

6.1. The Compliance Officer shall be responsible to maintain a Structured Digital Database of such persons or entities as the case may be with whom information is shared under this Regulation, which shall contain the following information:

- i. Name of such recipient of UPSI;
- ii. Name of the Organization or entity to whom the recipient represent;
- iii. Postal Address and E-mail ID of such recipient;
- iv. Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available;
- v. Nature of UPSI.

6.2. Structured Digital Database shall contain the information as prescribed under the Regulations. Such database shall not be outsourced and shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The structured digital database shall be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceeding.



7. DEALING IN CASE OF SUSPECTED LEAK OR LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

7.1. Inquiry for leakage of UPSI

7.1.1. All UPSI shall be handled on a need to know basis only. In case of any UPSI is proposed to be provided, the person proposing to provide the information shall consult Chief Financial Officer /Company Secretary/Chairman and Managing Director in advance.

7.1.2. In case any UPSI is leaked or is suspected to be leaked by any insider, the Ethics & Compliance Task Team consisting of Company Secretary, Chief Financial Officer and Whole-time Director of the Company will investigate the matter and collect / gather the evidences and will report to the Chairman of Audit Committee. Chairman of the Audit Committee will thereafter convene the Meeting of the Audit Committee depending on severity of the matter.

7.2. Process for inquiry

7.2.1 All the matters concerning leak of UPSI or suspected leak of UPSI, will be thoroughly investigated by the Company Officer and may at his/her discretion, consider involving external investigators for the purpose of the investigation.

7.2.2. The Company Officer may ask the concerned insider to remain present for investigation, discussion etc. and for such investigation, he/she may ask for personal Bank Account Statement or such other details or documents as it deems fit.

7.3. Powers of the Compliance Officer

The powers of Compliance Officer for inquiry under this clause are as under:

- i. To investigate the matter
- ii. To ask concerned insider for personal presence, examination, cross examination etc.
- iii. To call for personal information/documents from insider
- iv. To file complaint, if required, before police authority / Designated cell under Information Technology Act, 2000
- v. To retain the documents gathered during investigation.
- vi. To report to the Audit Committee

7.4. Report to the Audit Committee for appropriate action

The Compliance Officer will report to the Chairman of the Audit Committee and upon receipt of report by Chairman, he/she will convene Meeting of the Audit Committee, depending on severity of the matter. The Audit Committee based on such report decides the suitable action including but not limited to withholding of salary /termination of employment / monetary penalty.



8. REVIEW AND DISCLOSURES

- 8.1. The Company's Board will monitor the effectiveness and review the implementation of this Code, considering its suitability, adequacy and effectiveness or ensure it meets the requirements of legislation.
- 8.2. The company shall disclose this code on the website of the Company at <https://aarvee.com/> and a web link in the Annual Report.

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