

# **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[(Under Regulation 3(2A), Regulation 8 and Schedule-A of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended)]*

**INTRODUCTION:**

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“**Code**”) has been made and implemented in line with the requirements of Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (the “**Regulations / PIT Regulations**”), which requires every company whose securities are listed on a stock exchange to have a Board approved Code that it would follow in order to adhere to each of the principles set out in Schedule A to the Regulations.

This Code is to be adopted by Aye Finance Private Limited (“**Company**”), being Non-Convertible Debentures are listed on BSE Limited and to be followed by its Directors, Officers and Employees.

**OBJECTIVE & SCOPE:**

The objective of this Code is to ensure timely and adequate public disclosure of Unpublished Price Sensitive Information (“**UPSI**”) no sooner than credible and concrete information comes into being in order to make such information generally available and to lay down the principles and practises to be followed by the Company pertaining to disclosure of UPSI.

The Company has adopted this Code after incorporating the relevant clauses of Regulation 8 & Schedule A of the PIT Regulations. The provisions of this Code must be read along with the PIT Regulations and if there is any inconsistency/contradiction between the two, the provisions of the PIT Regulations shall prevail.

**DEFINITIONS:**

1. **Board** – means the Board of Directors of the Company.
2. **Chief Investor Relations Officer (“CIRO”)** – means the Company Secretary or any other officer duly authorized by the Board of Directors of the Company.
3. **Compliance Officer-** means the Company Secretary of the Company, or any other person designated by the Board.
4. **Connected person** means-
  - 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, -
    - an immediate relative of connected persons specified in clause (i); or
    - a holding company or associate company or subsidiary company; or
    - an intermediary as specified in section 12 of the Act or an employee or director thereof; or
    - an investment company, trustee company, asset management company or an employee or director thereof; or
    - an official of a stock exchange or of clearing house or corporation; or
    - 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
    - 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

- an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- a banker of the company; or
- 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; or
- Internal & External Auditors; or
- Contractual Agencies; or
- Legal Consultants; or
- Investor Associations; or
- Research Agencies; or
- Media Agencies/ persons
- Any other person as may be notified or as directed by any authority, from time to time.

**5. Generally available information** - means information that is accessible to the public on a non-discriminatory basis.

**6. Insider**-means any person who is a connected person; or in possession of or having access to unpublished price sensitive information.

**7. Legitimate Purpose** - shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business on a need to know basis with partners, collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals, registered valuers or other advisors, service providers or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

**8. Securities**- shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof which includes Which includes shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities.

**9. Unpublished Price Sensitive Information (“UPSI”)** - shall mean 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 not restricted to, information relating to the following:

- financial results
- dividends
- change in capital structure
- mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions
- changes in key managerial personnel
- Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time

Words and phrases used in the Code and not defined hereinabove shall have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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, as amended from time to time.

## PRINCIPLES OF FAIR DISCLOSURE

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information:

CIRO in consultation with Managing Director to deal with dissemination of information and disclosure of UPSI. The duties of the CIRO shall include, but not limited to the following:

- Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
- Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- Handling of all unpublished price sensitive information on a need-to-know basis i.e., UPSI should be disclosed only to those within and outside the Company who need to know such UPSI to discharge their duty.
- Due notice shall be given to such person in receipt of UPSI pursuant to a legitimate purpose who shall be considered an insider for purposes of PIT Regulations to maintain confidentiality of such UPSI in compliance with PIT Regulations.

## **POLICY OF DETERMINATION OF LEGITIMATE PURPOSE**

### **(A) PREFACE**

This Policy, as a part of this Code, will be known as Policy for Determination of Legitimate Purposes ("**Policy**"). This Policy is prepared in accordance with Regulation 3(2A) of the PIT Regulations.

### **(B) OBJECTIVE**

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring UPSI.

### **(C) LEGITIMATE PURPOSES**

Legitimate purpose shall mean sharing of UPSI in the ordinary course of business by an insider in performance of their respective obligations/ duties subject to the condition that such sharing has not been carried out to evade or circumvent the prohibitions of PIT Regulations.

While sharing information for legitimate purpose, the insider should consider factors such as:

- whether of such UPSI is in the ordinary course of business of the Company;
- whether sharing of such UPSI is in the interests of the Company or in furtherance of a genuine commercial purpose; and
- whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

Any information that may be classified as UPSI would be dealt with by the Directors and Employees of the Company on 'Need to Know' basis only. The UPSI shall be shared only in furtherance of legitimate purposes which shall include the following and shall be in compliance with the PIT Regulations and the Code of Fair Disclosure and Conduct of the Company:

- performance of duties; or
- discharge of legal obligations; or

- necessitated by any regulatory/statutory obligations / orders; or
- in the ordinary course of business by Designated Persons or authorised person with the existing or proposed partners, collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals, registered valuers or other advisors or other advisors or consultants; or
- for any other genuine or reasonable purpose as may be determined

Insiders shall share the UPSI with the external agencies only in the interest of the employer and/or in compliance with the requirements of the law.

#### **RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

- Any person in receipt of such UPSI pursuant to a “legitimate purpose” shall be considered as an “insider” in terms of Regulation 3(2B) of the PIT Regulations and due notice shall be given to such person(s) with regard to their obligation to maintain confidentiality of such UPSI, in compliance with the Regulations.
- The Insider, who is in receipt of such UPSI pursuant to a “legitimate purpose” shall also abide by the Code of Conduct formulated and adopted by the Company under Regulation 9(2) read with Schedule C to the Regulations.

#### **MAINTENANCE OF STRUCTURED DIGITAL DATABASE**

In terms of Regulation 3(5) of the Regulations, Company shall maintain a Structured Digital Database (SDD) containing the nature of UPSI and the name of such persons or entities as the case may be, with whom UPSI relating to Company has been shared under the Regulations for legitimate purpose and in the ordinary course of the business. Structured Digital Database shall contain the following information:

- In case of individuals:** Details such as nature of UPSI and the name of the recipient of UPSI, name of the organization with which he or she is affiliated (if applicable), e-mail ID and Permanent Account Number or in its absence, any other identifier authorized by law, of such persons; and
- In case of entities:** Details such as nature of UPSI and name of the entity, name of all natural persons associated with the entity having reasonable access to the UPSI and Permanent Account Number of such entity and any natural person associated with the entity or in its absence any other identifier authorized by law.

#### **AMENDMENT OF CODE & POLICY**

The Board of Directors, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code. In any circumstance where the terms of this Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Code. This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.