

## **ASIRVAD MICRO FINANCE LIMITED**

### **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

**Approval Details:**

<b>Approval Date</b>	August 07, 2021
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## **I. OBJECTIVE:**

This Code is consistent with the prescription of Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “PIT Regulations”). The PIT Regulations require Asirvad Micro Finance Limited [“the Company”] being a listed entity to disseminate Unpublished Price Sensitive Information [“UPSI”] universally, and not selectively. This Code lays down principles, procedures and practices to be followed by the Company pertaining to uniform and fair disclosure of UPSI.

## **II. ADHERENCE TO THE CODE:**

The Code shall apply to every disclosure of UPSI arising from time to time to make it Generally Available Information (“GAI”). The exceptions as given in the PIT Regulations shall be applicable for the purpose of this Code as well.

The Board and senior management team are expected to conduct themselves in a manner that meets the expectations of stakeholders through operational transparency while maintaining confidentiality of information to the extent needed to meet business objectives. The ultimate responsibility for ensuring effective compliance of the requirements of this Code lies with the Board.

## **III. INTERPRETATION**

Words and expressions not defined in this Policy shall have the same meaning as specified in the PIT Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder.

## **IV. PURPOSE OF THE CODE**

This Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI.

## **V. PRINCIPLES OF FAIR DISCLOSURE**

The Company shall:

- a. Promptly disclose in public any UPSI that would impact the price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. Uniform and universal dissemination of UPSI to avoid selective disclosure.
- c. Designate a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- d. Put on Company’s website Quarterly & Annual Financial Results, Press Releases, Disclosures made with the Stock Exchanges and the Investor Presentations for the reference of the general public.
- e. Employees of the Company shall not respond to any queries or for any market rumours asked by media houses, investors etc. unless specifically authorised by Chief Investor Relations Officer (“CIRO”) or Managing Director (“MD”) or Chief Financial Officer (“CFO”).
- f. Employees shall ensure that the information shared with analysts and research personnel is

not UPSI.

- g. 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.
- h. Handling of all UPSI should only be on a need-to-know basis

## VI. DEFINITIONS

- A) **Act** means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- B) **Chief Investor Relations Officer (CIRO)** means the Company Secretary of the Company who has been assigned with the specific responsibility to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. CIRO shall be responsible for determining whether disclosure of any UPSI has been made as per the permitted disclosures and for legitimate purposes as prescribed in this Code.  
  
CIRO shall report to the Audit Committee of the Board on a half yearly basis about status of Compliance of this Code.
- C) **Code** shall mean this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- D) **Company** means Asirvad Micro Finance Limited
- E) **Disclosures to Public** means acting as governance bodies and making disclosures about the Company and on behalf of the Company, through press reports or media or interviews or announcements etc.
- F) **Disclosures to Third Parties** means making disclosures to persons or entities in the course of the routine performance of duties.
- G) **Generally Available Information (GAI)** means information that is accessible to the public on a non-discriminatory basis.
- H) **Insider** means any person as defined under Regulation 2[1(g)] of PIT Regulations.
- I) **Insider Trading Regulations/ PIT Regulations** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
- J) **Need to Know basis** means that the person or entity in possession of UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- K) **Permitted Insider** means at the Board level, the Managing Director of the Company and at the senior management level, Chief Financial Officer and Company Secretary of the Company.

Permitted Insiders at the Board level and Senior management level shall in consultation with

CIRO make disclosures to public and / or disclosures to third parties in accordance with the Permitted Disclosures and for Legitimate Purposes as stipulated in this policy.

However, where the CIRO is the Permitted Insider, confirmation for making disclosures as permitted in this Code shall be provided by the Managing Director of the Company.

- L) **Permitted Employee** means any other Employee of the Company who may have access to or be in possession of UPSI but who shall be specifically permitted in writing to make permitted disclosures to third parties only for Legitimate Purposes. However, no Permitted employee shall suo moto make or be permitted by CIRO to make any disclosures to public on behalf of the Company.
- M) **Other Insider** means an Insider other than Permitted Insider and Permitted Employee.
- N) **Trading** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- O) **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 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, delisting, disposals and expansion of business and such other transactions;
  - v. changes in Key Managerial Personnel.

## VII. FUNCTIONS OF THE CHIEF INVESTOR RELATIONS OFFICER

- A. Ensuring uniform dissemination and public disclosure of UPSI in order to make it GAI.
- B. Determination of questions as to whether any particular information amounts to UPSI.
- C. Dealing with and providing advise to any query raised by any person or "Insider" about adhering to the provisions of the Code.
- D. Safeguarding the Disclosure Policy:
  - i. The CIRO shall ensure that if an Insider selectively, inadvertently or otherwise discloses any UPSI to any person/s, then prompt disclosure of such information shall be made by the CIRO to the public and take all necessary steps to make the UPSI a GAI. Such disclosure must be made immediately when the CIRO learns that communication of such UPSI has taken place.
  - ii. In order to identify such a disclosure, CIRO shall establish mechanisms to constantly interact with Persons or Entities designated by the Compliance Officer designated under

Regulation 9 of PIT Regulations.

- iii. CIRO shall corroborate the information found to have been disclosed on the basis of information from any source and ascertain if such disclosure has been made for legitimate purposes only. If it is found to have emanated from an unauthorised source, CIRO shall do a deeper probe so as to ensure that there is no leakage of information that is UPSI.

#### E. Monitoring Permitted Disclosures

CIRO shall ensure that any UPSI about the Company may be disclosed to third parties only for the following purposes and these shall be deemed as “Permitted Disclosures” for the purpose of this Code:

- i. For legitimate business purposes
- ii. For performance of routine or assigned duties
- iii. To discharge statutory obligations.
- iv. To Persons or Entities who have expressly executed Non-Disclosure Agreements or agreed in writing to keep the information confidential, such as potential customers, joint venture partners and vendors, and who have undertaken to be bound by such agreements and who are committed not to trade in the securities of the Company on the basis of such information.

Disclosures to public shall be considered as Permitted Disclosures in case it is made to ensure that UPSI becomes generally available.

“Permitted disclosures” shall not be carried out to evade or circumvent the prohibitions of the PIT regulations.

Other Insiders shall when in possession of UPSI not make any disclosures to third parties unless they specifically seek written consent from CIRO prior to making disclosure of UPSI as permitted disclosure and for legitimate purpose. However Other Insiders are strictly prohibited from making any disclosures to public.

#### F. Modes of Disclosures

Subject to Applicable Law, methods adopted by the Company and its insiders for public disclosure of information to ensure uniform distribution shall include all or either of the following:-

- i. Dissemination through Press Releases in newspapers, broad-based electronic, print, television and other media.
- ii. Creating or participating in webinars or webcasts by authorised officials of the Company.
- iii. Filing with the Stock Exchanges including reporting through System Driven Disclosures.
- iv. Uploading the information on the website of the Company.
- v. Any other method that ensures wide distribution of the news or announcements related to the Company, which may otherwise be price sensitive.

#### G. Obtain and Approve Disclosures and ensure Maintenance of Records

The CIRO shall ensure that the following best practices are adopted by the Company before making any disclosures to the public:

- i. Prior intimation and written consent and clearance is obtained from CIRO to the official email id [cs@asirvad.in](mailto:cs@asirvad.in) marked as “UPSI Disclosure” prior to making a public disclosure or announcement by any Permitted Insider and Permitted Employee of the Company. Other Insiders must mandatorily seek prior written consent and clearance from CIRO.
- ii. Providing guidance as to how unanticipated questions regarding a particular information can be tackled by any Permitted Insider or Permitted Employee or other Insiders making the disclosure.
- iii. CIRO shall put in places systems and processes to ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- iv. Ensuring that transcripts or records of con-calls with investors made for discussion of financial results after announcement of the same i.e. Earning con-calls, if any, are uploaded on the official website of the Company to ensure official confirmation and documentation of disclosures made by the Company.
- v. Uploading any earnings guidance or any other similar material distributed during press conference on the website of the Company.
- vi. Uploading on the Company’s website, any material information about business plans of the Company provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared.
- vii. Publication of policies on the website which have an impact on investors or securities markets like dividend policy etc.

#### H. Verification of Market Rumours and response to queries

- i. A ‘No Comment’ policy must be maintained by the Company and the CIRO order to ensure that no comment is passed by any Permitted Employee or other Insider of the Company on market rumours. Only Permitted Insiders shall provide comments on market rumours in case of request from regulatory authorities to verify such rumours.
- ii. The CIRO shall provide appropriate and fair responses to queries raised in relation to determine whether any information is a UPSI or not. The CIRO shall also respond to any news reports that may raise questions on any announcements made by the Company.
- iii. The CIRO shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

#### I. Need to know handling of UPSI

- i. Company shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for legitimate purposes, performance of duties or discharge of legal obligations.
- ii. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.
- iii. If an Insider receives a query about any UPSI or whether any information is a UPSI related to the Company, such Insider shall not comment on the same and shall forward the query to the CIRO. The CIRO shall deal with such query in accordance with Applicable Law and this Code.

### **VIII. DETERMINATION OF “LEGITIMATE PURPOSES”**

While the Code stipulates “Permitted Disclosures” in Para VII (E) above, the PIT regulations require that the Board of Directors of the Company shall from time to time identify and incorporate criteria for determination of legitimate purposes for which sharing of UPSI shall be treated as being in the ordinary course of business by an Insider.

The following shall be treated as legitimate purposes for sharing of UPSI by Insiders in addition to those listed as “Permitted Disclosures”:

- A. To Lenders with respect to continuation of sanctioned limits or fulfillment of covenants etc.
- B. To Agents, Sub agents, Business Correspondents, in the ordinary course of business or as stipulated under statutes
- C. To Credit Rating Agencies for assessment and evaluation of rating
- D. To Trustees for protection of interest of debtholders and deposit holders [if any]
- E. To Suppliers/Vendors of goods or services or Outsourced activities specifically to critical areas that are core to the functioning of the Company
- F. To Market Intermediaries in case of identification and validation of proposals for organic growth
- G. To Legal advisors in case of handling of any disputes
- H. To Auditors to enable performance of their duties
- I. To consultants and other advisors with respect to restructuring of any inside departments or core structures or frameworks of the Company
- J. To Insolvency professionals in case of restructuring and recovery of credits of/from borrowers

The Permitted Insiders and Permitted Employees of the Company shall ensure and report to the Compliance Officer the execution of Non-Disclosure and Confidentiality Agreements prior to sharing of UPSI with the third parties mentioned above and also require them to report adherence of Regulation 9 of PIT Regulations, to the extent applicable, to the Compliance officer of the Company, in the manner stated in the “Internal Code of Conduct for Prohibition of Insider Trading” of the Company.

The Board of Directors may from time to time determine and add more clarity to criteria for determining legitimate purposes.

Policy for determination of legitimate purposes forms part of this code as Annexure - A.

**IX. AMENDMENTS TO THE CODE**

Any amendment to this Code shall be done by the CIRO, subject to obtaining approval from the Board of Directors of the Company.

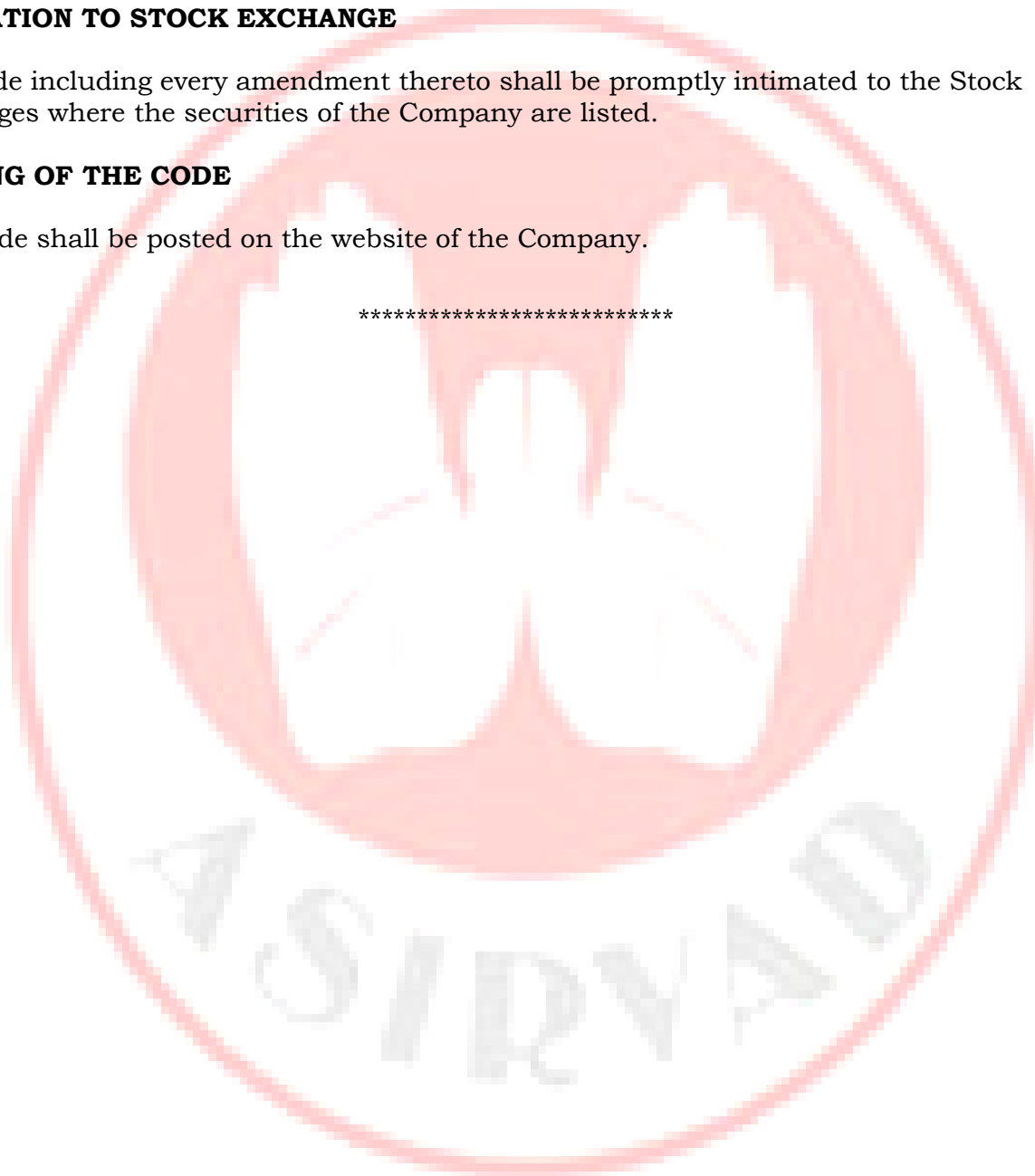
**X. INTIMATION TO STOCK EXCHANGE**

This code including every amendment thereto shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

**XI. POSTING OF THE CODE**

This Code shall be posted on the website of the Company.

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## **Annexure A**

### **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015] Forming part of Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

#### **1. PREFACE**

This Policy, as a part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015 hereinafter referred to as the "Regulations".

#### **2. 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 unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

#### **3. DEFINITION**

a) "**Legitimate Purposes**" shall include sharing of UPSI in the ordinary course of business by an Insider with the following:

1. Promoters of the Company
2. Designated Persons
3. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
4. Staff Members of the Audit firm/ team conducting the Audit
5. Collaborators
6. Lenders
7. Customers
8. Suppliers
9. Bankers
10. Merchant Bankers
11. Legal Advisors
12. Insolvency Professionals
13. Consultants
14. Any other advisors/consultants/partners
15. Any other person with whom UPSI is shared and such other person as may be decided by Compliance Officer from time to time.

Provided that sharing has not been carried out to evade or circumvent the Regulations.

- b) **"Insider"**- Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for the purpose of this policy and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with Regulations.

#### **4. PROCESS FOR SHARING UPSI**

The insider shall follow the steps given below while sharing UPSI:

- a. Satisfy that information is UPSI and sharing is for legitimate purpose and on a need-to know basis.
- b. Identify the persons with whom the UPSI is to be shared.
- c. Notify the recipient that UPSI being shared is confidential and proprietary and enter into a confidentiality/ non-disclosure agreement.
- d. Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement or verbal exchange.
- e. Shall notify to the compliance officer to enable him to maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared.

#### **5. DIGITAL DATABASE**

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. The database shall also contain the names of persons who have communicated the UPSI. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

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

The Board of Directors shall require the parties to execute agreements to contract confidentiality and non- disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information

#### **7. POLICY REVIEW**

The Policy shall be reviewed periodically. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall prevail.

#### **8. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Policy with a

new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy 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.

