

SATYA MicroCapital Limited
Code of Practices and Procedures for Fair Disclosure of
Unpublished Price Sensitive Information

Version 1.0

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Chapter 1: Introduction

1.1. Title

This code shall be known as the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of “SATYA MicroCapital Limited” (the “Code”) and has been made pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “Regulations”) as amended.

This Code shall come into force from the date of approval by the Board of Directors.

1.2. Applicability

This Code shall apply in relation to fair disclosure by the Company of Unpublished Price Sensitive Information (UPSI) in respect of the Non-Convertible Securities of the Company listed on Stock Exchange(s).

1.3. Definitions

In this Code:

- (a) “**Act**” means the Securities and Exchange Board of India Act, 1992;
- (b) “**Board**” means the Board of Directors of SATYA MicroCapital Limited;
- (c) “**Company**” shall mean SATYA MicroCapital Limited, and where the context so requires, shall include its subsidiaries (if any);
- (d) “**Compliance Officer**” shall mean the Company Secretary of the Company, and in his absence, any other senior officer designated so and reporting to the Board of Directors as mentioned in the Regulations;
- (e) “**Connected person**” shall mean such persons as defined under the Regulations;
- (f) “**Chief IRO**” shall mean the Chief Financial Officer of the Company;
- (g) “**Generally available information**” means the information that is accessible to the public on a non-discriminatory basis.;
- (h) “**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;
- (i) “**Insider**” means any person who is:
 - i. A connected person or
 - ii. in possession of or having access to unpublished price sensitive information.
- (j) “**MD**” means Managing Director of the Company;
- (k) “**Officer of the Company**” means any person as defined in of Section 2 (59) of the Companies Act, 2013 and includes the auditor of the Company.
- (l) “**CEO**” shall mean the Chief Executive Officer of the Company or such other person, by whatever name called, in whom substantial powers of management of the Company vest;
- (m) “**PIT Code**” shall mean the Code of Conduct for Prevention of Insider Trading adopted by the Board of Directors of the Company;
- (n) “**Regulations**” shall mean Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- (o) “**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;

- (p) **“Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly;
- (q) **Trading Day**” means a day on which the recognized stock exchanges are open for trading;
- (r) **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, delistings, disposals and expansion of business and such other transactions;
 - (v) Changes in key managerial personnel; and
 - (vi) such other information as determined by the Managing Director /Compliance Officer from time to time.
- (s) **“Unpublished Information”** means any information, which is not officially published by the Company or its agent and is not specific in nature. However speculative reports in print or electronic media by an analyst or reporter or by means of rumor shall not be considered as published information.

Words and terms used in this Code and not defined herein, but defined in the Regulations, the PIT Code, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 or the Companies Act, 2013, shall have the meanings respectively assigned to them in such legislation.

1.4. Publication of the Code

This Code, upon its adoption by the Board of Directors of the Company shall be intimated to Stock Exchange and shall be uploaded on the Company’s website and any updates hereto shall be promptly reflected on the Company’s website and the Company will also promptly intimate any update to the code to the stock exchange, as required under the regulations.

Chapter 2 : Handling and Dissemination of Price-Sensitive Information

2.1. Identification of Unpublished Price Sensitive Information

In addition to the information falling within the definition of “unpublished price sensitive information”, the MD & CEO may classify any other information as Unpublished Price Sensitive Information, if he is satisfied that the disclosure of such information is likely to have a material impact on the price of the securities of the Company. The MD &CEO shall be assisted by the Chief IRO and the Compliance Officer in making such assessment and may be guided by the Board of Directors in the classification of any information as Unpublished Price Sensitive Information.

2.2 Principles of Fair Disclosure:

➤ All Price Sensitive Information shall be made public upon the information itself becoming reasonably certain or upon the occurrence of the contemplated transaction to which the information relates becoming reasonably certain, except as allowed otherwise under the Regulations. Upon such reasonable certainty being established, the information shall be made public at the earliest practicable time and in compliance with all prevalent regulations. Where any such contemplated transaction requires authorisation by the Board of Directors, the occurrence of the event shall not be deemed to be reasonably certain unless such authorisation has been granted.

Once any information is made generally available, the information may be uploaded on the Company's website in a suitable form and may be shared with any person or disseminated using any means without any restriction. It is clarified that the mere changing of the form of the information without affecting its essence shall not result in the information being treated as new information.

- The Company will ensure uniform and universal dissemination of unpublished price sensitive information in relation to the Company via Stock Exchanges where the securities of the Company are listed and in order to avoid selective disclosure.
- The Chief Financial Officer of the Company will act as the 'Chief Investor Relations Officer' of the Company and shall deal with dissemination of information and disclosure of unpublished price sensitive information, through the Company Secretary and Compliance Officer in relation to the Company.
- Public Disclosure of Information Disclosed selectively, inadvertently or otherwise

In the event that any Unpublished Price Sensitive Information is disclosed selectively, inadvertently or otherwise, to any person, and the Company does not have the power to require such person not to trade in the securities of the Company on the basis of such information and not to communicate such information to any other person, such Unpublished Price Sensitive Information shall be promptly made generally available in accordance with this Code.

- Any queries on material published in the media/news reports or requests for verification of market rumours received from regulatory authorities or stock exchanges shall be responded promptly and in a manner that is not misleading.
- Any request for information received by the Company from any investor, research analyst, journalist or other member of the public shall be responded to, based on information that is in essence generally available. It is clarified that the sharing with a specific person or persons, of information which about the Company or the industry(ies) that the Company operates in which is general in nature, or any information that is derived from or is a mere elaboration of generally available information and is not inconsistent with such generally available information, or any information that is not likely to impact the price-discovery process of the Company's securities shall not be treated as selective disclosure by the mere fact of the information not being publicly disseminated earlier in the same form.
- The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website www.satyamicrocapital.com to ensure official confirmation and documentation of disclosures made.
- The Company Executives will handle all unpublished price sensitive information in relation to the Company on a need-to-know basis.

2.3. Access to Unpublished Price Sensitive Information

2.3.1. The MD & CEO shall determine which person(s) may be provided access to Unpublished Price Sensitive Information relating to any particular transaction. In determining such access, the MD & CEO shall be guided by the principle that Unpublished Price Sensitive Information shall be made available to any person only if such information is required for the furtherance of the legitimate purposes, performance of duties or discharge of legal obligations of such person or as permitted in the Regulations. No person so obtaining access to Unpublished Price Sensitive Information, whether an employee of the Company, an external consultant or advisor, shall disclose such information to any person except those specifically authorised in this behalf by the MD & CEO.

2.3.2 An insider can share the UPSI for Legitimate Purpose to any person subject to following conditions:

- a. The person with whom UPSI is to be shared pursuant to a "legitimate purpose" shall also be considered an "insider" for purposes of this code, PIT Code and Regulations;

b. A non-disclosure agreement will be executed with such person or due notice will be given to such person to maintain the confidentiality before sharing UPSI to maintain confidentiality of such UPSI in compliance with Regulations.

2.3.3. Maintenance of Digital Database

A structured digital database containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized 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. The database shall be preserved for a period of not less than 8 years after the completion of the relevant transactions and in the event of receipt of any information from the Securities and Exchange Board of India regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

Explanation : For the purpose of this clause, “**Legitimate Purpose**” means sharing of Unpublished Price Sensitive Information 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 Regulations.

Illustrative list of Legitimate Purposes:

In the following cases, the sharing of UPSI would be considered as having been shared for a legitimate purpose:

- (a) Under any proceedings or pursuant to any order of courts or tribunals;
- (b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;
- (c) In compliance with applicable laws, regulations, rules and requirements;
Example: Company Law, Securities Law, Income Tax Law, Banking Law, RBI Regulations etc.
- (d) Arising out of any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;
- (e) Sharing the information with intermediaries and fiduciaries such as Auditors, Merchant bankers, management consultants, partners, collaborators or other advisors or consultants;
- (f) For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defence to be prepared for Court cases;

The transaction referred to above may include acquisitions, merger, amalgamations or any other corporate restructuring, seeking advice in relation to legal aspects involved in such transactions including carrying due diligence of Target/ Merging Companies or seeking advice on commercial aspects including structuring or valuation of such transactions;

(g) Sharing information with Statutory Auditors, Secretarial Auditors, Internal Auditors or Cost Auditors while obtaining any certificate required for placing any transaction for approval before the Board / Committee;

(h) For all those activities done by the Company in furtherance of its objects as listed in its Memorandum of Association.

Provided that such sharing of UPSI has not been carried out to evade the prohibitions of Regulations.

2.4 Penalties for Contravention

Any violation of the Code shall invite prosecution and / or penalties as per Applicable Law. Without prejudice to the same, Company may take such penal or disciplinary action or action for breach of Confidentiality Undertaking against any person, whether director or officer or employee or any other person in a manner known to law.

2.5 Amendments to the Code

The Board of Directors can amend this code, as and when deemed fit. Any or all provisions of this code would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case where any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with / are in addition to / are in derogation of the provisions laid down under this code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this code and this code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.