

Satia Industries Limited

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

**[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]
Version 1.1**

INTRODUCTION:

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992. These regulations were notified on 15th January 2015 and came into force with effect from 120th Day from the date of its notification i.e. w.e.f. from 15th May, 2015. These regulations are applicable to all companies whose shares were listed on Indian stock exchanges.

It is mandatory in terms of the Regulations for every listed company/entity to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

In order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code of Fair Disclosure for Satia Industries Limited (hereinafter referred to as 'the Company') for use by its Insiders.

This document embodies the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to be adopted by the Company and followed by its Directors, Officers, Employees and Connected Persons. The Code seeks to ensure timely, fair and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's Securities.

CODE OF FAIR DISCLOSURE:

The Board of Directors of Satia Industries Limited has always thrived to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders in the Company. Towards achieving this objective, the Company and the members of the Board, Officers, all employees and connected persons shall adhere to the following principles of fair disclosure of unpublished price sensitive information in letter as well as in spirit:

1. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being, in order to make such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.

2. The Company shall ensure Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary / 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. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company will ensure that information shared with analysts and research personnel, if any, is not unpublished price sensitive information.
7. The Company shall develop and follow 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.
8. The Company shall handle of all unpublished price sensitive information on a need- to-know basis.
9. Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant banker, legal advisor, auditors, insolvency professional, other advisors or consultants, shall be considered as "legitimate purpose" for the purpose of sharing unpublished price sensitive information in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT regulations.
10. A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the permanent account number or any other identifier authorized by law where permanent account number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for said legitimate purposes.
11. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of SEBI PIT regulations and such persons are also required to ensure the confidentiality of unpublished price sensitive information shared with them, in compliance with SEBI PIT Regulations.

(Note: Clause 9 to 11 incorporated pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 shall come into effect from 1st April, 2019.)

The Board of Directors may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

This Code shall be published on the official web site of the Company.

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.

Subsequent modification(s) /amendment(s) to SEBI (Prevention of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

Satia Industries Limited

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

[Under Regulation 9(1) of SEBI (Prohibition of Insider Trading) regulations, 2015]

Version 1.1

Registered Office & Mill:

**VPO Rupana, Malout - Muktsar Road,
Sri Muktsar Sahib-152026**

Website: www.satiagroup.com

Email : satiapaper@satiagroup.com

On January 15, 2015, the Securities and Exchange Board of India (SEBI) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("2015 Regulations") to be effective from May 15, 2015, i.e. 120th day from the notification of the Regulations, replacing the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Regulation 9(1) of the aforesaid Regulations casts a duty upon the Board of Directors of every listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in the Schedule B to the Regulations. Accordingly the Company Policy on Prohibition of Insider Trading framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992 was replaced with a Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

Subsequently, vide Notification dated 31st December, 2018, the 2015 Regulations were further amended by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as the "2018 Regulations" and collectively with the 2015 regulations, are referred to as the "SEBI PIT Regulations") with its amendments to take effect from 1st April, 2019. The Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders stands amended in alignment with the 2018 Regulations and will henceforth be called Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ("the Code").

Compliance Officer

The Company Secretary of the Company shall act as the Compliance Officer of the Company for the purposes of these Regulations and is responsible to comply with the provisions as contained herein. The Compliance officer under the overall supervision of the Board of Directors shall report to Sh. Vipin Gupta, CFO & Whole Time Director of the Company.

Further, the Compliance officer shall also provide Reports to the Chairman of the Audit Committee of the Board of Directors, on an annual basis.

The Compliance Officer shall maintain a Register of all Designated Persons and all changes taking place in the list from time to time shall incorporated therein.

Who is an Insider?

Under the 2015 Regulations, an Insider means

- A Connected Person
- Any Person who is in possession of or is having access to Unpublished Price Sensitive Information

The definition of Connected Person is given under Regulation 2(d) of the 2015 Regulations pursuant to which a person is a connected person, if he has a connection with the Company that is expected to put him in possession of Unpublished Price Sensitive Information.

Applicability

In terms of Regulation 9(4) of the SEBI PIT Regulations, the Board of Directors in consultation with the compliance officer here in below specifies the following as "**Designated Persons**" to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

The Code applies to the following categories of persons including their 'immediate relatives' and persons with whom such designated person(s) share a material financial relationship:-

- Promoters
- Directors
- KMPs (Key Managerial Persons as defined under the Companies Act, 2013)
- Designated Employees

Designated Employees

- All employees in the grade of General Manager and above
- All the Accounts, Finance, Secretarial Personnel of the Company. It also includes IT personnel of the Company who have access to unpublished price sensitive information
- Any other person as may be determined by the Compliance officer, based on their functional role in the organization, for the purpose of monitoring adherence to the Code for preservation of UPSI

Immediate Relative

Immediate relative *means* spouse of a person and *includes* parent, sibling and child of such person/ or the spouse, if any of them is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.

Material Financial Relationship

Material Financial Relationship shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions

In addition to the above stated categories, all the connected persons in possession of or having access to Unpublished Price Sensitive Information shall also be covered under the Code and accordingly the Company may ask such persons or class of connected persons to make disclosures of their holdings and trading in securities of the Company.

Unpublished Price Sensitive Information (UPSI)

Any information, relating to the Company or its securities, that is not generally available would be *Unpublished Price Sensitive Information* if it is likely to materially affect the price of the securities upon coming into public domain.

Ordinarily, the types of matters that would give rise to Unpublished Price Sensitive Information are:

Financial Results

Dividends

Change in Capital Structure

Mergers, De-mergers, acquisitions, delistings, disposals and material expansion of business and such other transactions

Changes in Key Managerial Personnel

The above is only an illustrative list and there might be other instances in relation to which certain unpublished information, upon becoming public, might materially affect the price of securities of the Company.

Preservation of Unpublished Price Sensitive Information

All information shall be handled within the organization on a need-to-know basis.

Connected person or anyone who is in possession of or has access to unpublished price sensitive information relating to the Company shall communicate it to any other person except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations. Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants, shall be considered as "legitimate purposes" for the purpose of sharing unpublished price sensitive information in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT regulations.

The Designated Employees/ Persons and Connected persons shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not disclose or communicate or counsel or procure directly or indirectly the Unpublished Price Sensitive Information to any person (except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations) until the same is made available to the general public.

Restriction on Trading while in Possession of UPSI

The Promoters, Directors, KMPs, Designated Employees/ Persons and Connected persons, when in possession of UPSI shall not trade in securities of the Company either on their own behalf or on behalf of any other person.

However, trades pursuant to a "Trading Plan" set up in accordance with Regulation 5 of the 2015 Regulations may be permitted subject to the approval of Trading Plan by the Compliance Officer and public disclosure of it on the Stock Exchanges.

Institutional Mechanism for Prevention of Insider Trading

The Managing Director shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in SEBI PIT Regulations to prevent insider trading

The internal controls include the following:-

1. All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of SEBI PIT Regulations
2. Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations
3. All employees and other persons with whom unpublished price sensitive information is shared with, shall be required to ensure the compliance of SEBI PIT Regulations

The Audit Committee shall review compliance with the provisions of SEBI PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Notional Trading Window - Trading Period and Trading Limit

The Promoters, Directors, KMPs, Designated Persons and their immediate relatives shall not trade in securities when the (notional) trading window is closed. The trading window shall be closed when the Compliance Officer determines that these persons can reasonably be expected to have possession of UPSI.

The trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

Trading Window in any case shall be closed 7 days before the date of Board Meeting related with any item that may give rise to UPSI till 48 hours after the declaration of financial results. The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

Trading window shall open 48 hours after the UPSI is made generally available.

When the Trading Window is open, there is no restriction for trading of securities if the value of securities traded, whether in 1 transaction or a series of transactions, in a financial year, aggregates to a traded value up to Rs. 10,00,000/- in value.

Beyond these stipulated thresholds, trading by these persons shall be subject to pre- clearance by Compliance Officer, if the value of proposed trades is above the aforesaid thresholds.

However, no person shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of UPSI even if trading window is open.

Procedure for pre-clearance

1. An Application may be made to the Compliance Officer or in case the applicant is Compliance Officer himself, to the Chairman in the prescribed format (refer **Form-1**).

2. **An Undertaking** (refer **Form-II**) shall be executed by these Person(s) stating that:

- he/ she does not have access to or received UPSI upto the time of signing the undertaking
- that in case he/ she has access to or receives UPSI after signing the undertaking but before execution of transaction, he/ she shall inform the Compliance Officer forthwith and refrain from trading in securities till the PSI becomes generally available
- he/ she has not contravened the provisions of the Code
- he/ she has made full disclosure in the matter

3. The applicant may execute the order within one week i.e. 7 days of the permission; else fresh clearance will be required and shall report the trades executed in **Form III**.

Restriction on Contra-Trade for 6 months

In all cases, these Persons who are permitted to trade in securities of the Company shall not execute a contra-trade i.e. he/ she shall not enter into an opposite transaction within 6 months following a prior transaction.

Should a contra-trade be executed inadvertently or otherwise, in violation of the aforesaid restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the IEPF administered by it.

In case of ESPS, allotment of shares by the Company, to the Eligible Employee upon Exercise of Shares granted, may be allowed during the period when the Trading Window is closed. Sale of shares allotted on exercise of Shares granted under ESPS shall not however be allowed when the Trading Window is closed.

The Compliance Officer of the Company shall disclose the information regarding the closure and open of Trading Window to the concerns from time to time.

DISCLOSURES

INITIAL DISCLOSURES OF SHAREHOLDING TO THE COMPANY

(1) Every Promoter, KMP and Director of the Company, shall, disclose his/ her holding of securities of the Company as on the date of these Regulations take effect i.e. as on 15th May, 2015, to the Company with in 30 days in the prescribed form.

(2) Upon becoming a Promoter or appointment as a KMP or Director of the Company, such person, shall, disclose his/ her holding of securities of the Company as on the date of becoming a promoter or appointment as a KMP or Director, with in 7 days of such appointment to the Company.

CONTINUAL DISCLOSURES OF TRADING IN SHARES TO THE COMPANY

(1) Every Promoter, Designated Person and Director of the Company, shall, disclose the no. of securities acquired or disposed, if the value of securities traded, whether in 1 transaction or a series of transactions, over any calendar quarter, aggregates to a traded value exceeding Rs. 10 lakhs with in two working days.

(2) Disclosure of incremental transactions further to the above, shall be made as and when the transaction is effected with in two working days.

NOTIFICATION OF CONTINUAL DISCLOSURES BY THE COMPANY TO STOCK EXCHANGES

The Company shall notify the Stock Exchanges on receipt of continual disclosure (as above) or becoming aware of such information with in two working days.

ANNUAL DISCLOSURE OF SHAREHOLDING

Every Promoter, Director, KMP and Designated Person of the Company, shall, disclose his/ her holding of securities of the Company as on date of every financial year ending 31st March, to the Company in **Form IV** with in 30 days of the end of financial year.

For the purpose of all the above prescribed disclosures, whether initial, continual or annual, the disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account accordingly.

Designated Persons shall also be required to disclose Names and PAN (Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- (a) Immediate relatives;
- (b) persons with whom such designated person(s) shares a material financial relationship;
- (c) **Phone, mobile and cell numbers** which are used by them

In addition, the names of **educational institutions** from which Designated Persons have graduated and **names of their past employers** shall also be disclosed on a one time basis.

PENALTY FOR CONTRAVENTION

Every person, to whom the Code is applicable, shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/ her immediate relatives).

Any person who violates the Code, shall, in addition to any other penal action that may be taken against him under any law, also be subject to disciplinary action, including wage freeze, suspension, recovery, clawback etc.

In case it is observed by the Company, that there has been a violation of SEBI PIT Regulations, the Company shall inform SEBI promptly.

POLICIES AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OF UPSI

In case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, on becoming aware, the same shall be immediately reported to the CFO & Whole Time Director and Managing Director and appropriate inquiries shall be initiated forthwith as may be directed by the WTD/ MD. They may delegate the case to an "investigator" for investigation of the instance and ascertaining authenticity of the subject reported. The Board of Directors shall also be promptly informed of such leaks, inquiries and results of such inquiries.

Further, if an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries (RTA etc.) and fiduciaries (Auditors, Bankers etc.) shall co-operate with the Company in connection with such inquiry conducted by the Company.

WHISTLE BLOWER MECHANISM TO REPORT ANY LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In case any employee suspects any leak of unpublished price sensitive information, he may immediately blow the whistle and report the instance directly to the CFO & Whole Time Director and Managing Director, by an email or a letter.

This mechanism shall be in addition to the Company's whistle blowing mechanism available to the employees of the Company to report any fraud or wrongdoing or any grievance or complaint.

The Company encourages employees to report any suspected leak of unpublished price sensitive information forthwith to the CFO & WTD/ MD.

Anonymous grievances will not be entertained unless the allegations are supported by documented and verifiable facts.

Management undertakes to maintain confidentiality of the person who has reported the instance, subject to the rights of the person against whom the instance is reported to cross-examine such leak of unpublished price sensitive information.

FORM-1
APPLICATION FOR PRE-CLEARANCE OF TRADES

To
The Compliance Officer
Satia Industries Limited

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders/Designated Persons, I seek approval for purchase/sale/ subscription of the securities of the Company as detailed below:

Name	Designation	No. of shares held (with Folio/ DP ID/ Client ID)	Nature of transaction for which approval is sought	No. of shares to be dealt

I hereby enclose the form of undertaking signed by me.

Signature

Date

Footnotes:

1. No application for pre-clearance can be made during closure of trading window; neither any pre-cleared transaction can be carried out during closure of trading window.
2. Pre-clearance required whenever Director(s)/ KMP/ Promoter or Person who is part of Promoter Group/ Designated Person(s) intend dealing in its securities more than Rs. 10,00,000 in value.
3. Pre-cleared order must necessarily be executed within 7 days of approval.

FORM-II

UNDERTAKING TO BE EXECUTED AT THE TIME OF APPLYING FOR PRE-CLEARANCE

To
The Compliance Officer
Satia Industries Limited

I, _____, s/o _____, r/o _____,
hereby declare that I am a Promoter / Director / KMP / Designated Person (state designation)
of Satia Industries Limited.

I further declare that I am not in possession of or otherwise privy to any unpublished
price sensitive information upto the time of signing this undertaking.

In case I have access to or I receive any price sensitive information after signing this undertaking
but before execution of the transaction, I shall inform the Compliance Officer of the change in my
position and I would completely refrain from trading in the securities of the Company till the time
such price sensitive information becomes public / generally available.

I declare that I have not contravened the Company's Code of Conduct to Regulate, Monitor and
Report Trading by Insiders/Designated Persons. I declare that I have made full disclosure in the
matter.

Signature

Date

Pre-Clearance Order

With reference to you application dated _____, we wish to inform you that your request for dealing in _____(nos.) or _____worth shares of the Company is approved. Please note that the said transaction must be completed with in seven trading day from today.

For Satia Industries Limited

Compliance Officer

Date:

FORM III

Reporting of Trades Executed

The Compliance Officer

Satia Industries Limited
VPO Rupana, Malout - Muktsar Road,
Sri Muktsar Sahib-152026

SUB: Confirmation of Deal

I confirm that the share dealing for which approval was granted on _____ was completed on _____ to purchase _____ shares of the Company.

Date:

Place:

Signature:

Name:

FORM IV

ANNUAL DISCLOSURE

STATEMENT OF HOLDINGS OF SECURITIES / DERIVATIVES OF PROMOTER, DIRECTOR, KMP AND DESIGNATED PERSON AND HIS/ HER IMMEDIATE RELATIVES/ PERSONS WITH WHOM MATERIAL FINANCIAL RELATIONSHIP IS SHARED

To
The Compliance Officer
Satia Industries Limited

I. Statement of Holdings of Promoters, KMPs, Directors and Designated Employees

Name	Designation	Department	No. of shares/ derivatives held as on 1 st April, 20....	No. of shares bought / (sold) during the financial year	Date of purchase / (sale) during the financial year	No. of shares/ derivatives held as on 31 st March, 20....	Folio No./ DP ID/ Client ID

II. Statement of Holdings of Immediate Relatives and Persons with whom Material Financial Relationship is shared of Promoters, KMPs, Directors and Designated Employees

Name	Relationship	No. of shares/ derivatives held as on 1 st April, 20....	No. of shares bought / (sold) during the financial year	Date of purchase / (sale) during the financial year	No. of shares/ derivatives held as on 31 st March, 20....	Folio No./ DP ID/ Client ID

Signature:

Designation

Date:

Place: