



Code of conduct for Board of Directors and Senior Management Personnel

KARDA CONSTRUCTIONS LIMITED

INTRODUCTION

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Karda Constructions Limited ('Company') has formulated this Code of Conduct for Board Members and Senior Management Personnel" ('Code'). The Board of Directors of the Company adopted this policy in their meeting held on 4th August, 2017.

OBJECTIVE

This Code intends to establish yardstick which should be followed to ensure that the Vision, Mission and Values of the Company are followed in spirit. It further intends to enhance an ethical and transparent process in managing the affairs of the Company and provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws.

APPLICABILITY OF THE CODE

This code shall be applicable to the following personnel:

1. All Directors of the Company including Independent Director;
2. Senior Management Personnel. ('Officers') It is clarified that the Directors and Officers should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

All Directors and Officers shall affirm compliance with this Code on an annual basis. They shall submit an Annual Compliance Report within 30 days of close of every financial year to the Company Secretary, in the form enclosed as Annexure-I. Apart from the duties of the Directors (including Independent Directors) defined in the Companies Act, 2013, they should adhere to the following:

HONEST AND ETHICAL CONDUCT

The Directors and Officers shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct and use their powers of office, in good faith and in the best interests of the Company as a whole.

CONFLICTS OF INTEREST

All Directors & Officers should be scrupulous in avoiding situations wherein financial or personal considerations tend to compromise the exercise of professional judgments in discharging of their duties. They should not allow personal interests to conflict with the interests of the Company. Acceptance of any undue offer, gift, money or money's worth or favour, whether for himself/herself or for family members, from any business associates, is prohibited. The guiding principle is that any event, activity or situation involving conflict or potential conflict of interest must be disclosed to the Board of Directors for guidance and appropriate action.

BUSINESS OPPORTUNITY

Any business opportunity discovered by the Directors and Officers of the Company due to their position that they hold in the Company, should not be used by them for their own benefit unless and until the same has been approved by the Board of Directors of the Company after the same has been disclosed in writing by the concerned Director or Officer.

CONFIDENTIALITY

All Directors and Officers should maintain the confidentiality of all the confidential information, regarding the Company including but not limited to technical processes, patents, business processes, product developments, R&D, expansion plans, prices of goods, raw materials and Plant & Machinery, its customers, suppliers, employees, associates etc., acquired by them in the course of their duties. No such information is to be disclosed except when it is authorised or legally required. The use of such information for his or her own advantage or profit is prohibited.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS

All Directors and Officers shall themselves make and ensure the use of Company's property in most efficient and economic manner. All efforts should be made to protect the Company's property from any misappropriation, theft, carelessness etc. and the Property must be used for legitimate and official purposes only.

OBLIGATION UNDER SECURITIES LAWS

'INSIDER TRADING' during the normal course of business, the Directors and the Officers of the Company may come to know about price sensitive undisclosed information. They should not make profit by using such information. If it comes to the knowledge of the Company that any such activity/ transaction has been executed, it will result in penalties and legal action.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

All Directors and Officers must comply with all applicable Laws, Rules and Regulations. They should make themselves conversant with all the latest legal provisions required in discharging of their duties so that none of their actions jeopardize the Company.

INQUIRIES BY REGULATORY AUTHORITIES

All Directors and Officers must co-operate if any inquiry or investigation initiated by any government/ regulatory authorities. In case, any confidential information is required to be divulged during such inquiry or investigation, the Directors and Officers should do so only after the approval of the Board of Directors of the Company.

DISCLOSURES

All Directors and Officers should ensure to provide full, fair, accurate, timely and understandable disclosures in all reports and documents required to be presented to shareholders, investors and other Government Authorities.

DUTIES OF INDEPENDENT DIRECTORS OF THE COMPANY IN ACCORDANCE WITH THE COMPANIES ACT, 2013

The independent directors of the Company shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company; CODE
3. strive to attend all meetings of the Board of Directors and of the board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the Company;
6. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

7. keep themselves well informed about the Company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the Code or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its Personnel;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

VIOLATION OF THE CODE

The Board of Directors will have the power to take appropriate action against anyone found violating the provisions of the Code. Where the Company has suffered a loss due to such violation, the individual responsible for such loss will have to compensate for the same, as may be decided by the Board.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, Accounting Standards or any other relevant legislation/law applicable to the Company.

LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Act or rules and regulations or any other statutory enactments, the provisions of such Act or statutory enactments shall prevail over this Policy. Any subsequent amendment/ modification in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Act and/or applicable laws in this regard shall automatically apply to this Policy.

REVIEW OF POLICY

This policy shall be subject to review and amendment by the Board of Directors of the Company as and when deemed necessary and in accordance with any regulatory amendments. The Board of Directors shall inform all such changes to the Officers of the Company. Any such changes/ amendments will be communicated to the stakeholders from time to time and accordingly updated on the website.

WAIVERS

The Board or any designated person/committee so authorized by the Board, can waive compliance with this Code, for any Director or Officer of the Company.

ANNEXURE-I

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Annual Compliance Report

(To be submitted within 30 days of close of every financial year)

I,.....(name),.....(designation) do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31st March

Signature:_____ Name:_____ Designation:_____ Date: _

Place: _____

**CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE
INFORMATION**

KARDA CONSTRUCTIONS LIMITED

Introduction:

In terms of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the “Regulations”), the Company is required, inter alia, to frame a Code of Fair Disclosure of Unpublished Price Sensitive Information (Hereinafter referred to as “the Code”) in relation to the Company and its securities.

In line with the said Regulations, the following Code of Practices and Procedures has been prepared as follows:

(1) Definitions:

(a) “Compliance Officer” means Chief Financial Officer or Company Secretary or such other senior officer, as designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and 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, and the implementation of the codes and dissemination of information and disclosure of Unpublished Price Sensitive Information under the overall supervision of the Board of Directors of the Company or the Head of an Organization, as the case may be. Such Compliance Officer shall report to the Board of Directors.

(b) “Generally Available Information” means information relating to the Company and its securities, which is accessible to the public on a non-discriminatory basis.

(c) “Unpublished Price Sensitive Information” means any information:-

(i) relating to the Company and its securities, directly or indirectly, that is not generally available to the public which becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to financial results, dividends, changes in the capital structure, mergers, de- mergers, acquisitions, delistings, disposals, expansion of business and such other transactions, changes in Key Managerial Personnel and material events in accordance with the listing agreement.

(ii) However, the code is not restricted to the information of events mentioned above, and it shall include any, direct or indirect information relating to the Company or its securities.

Words and expressions used and not defined in this code but defined in the Regulations, 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 shall have the meanings respectively assigned to them in those legislation.

(2) Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

- ❖ The information related to the Company and its securities, within the organization or with outsiders, which could impact price discovery in the market, shall be strictly handled on the need-to-know basis.
- ❖ The UPSI shall be promptly and fairly disclosed to the Stock Exchange and the dissemination shall be uniform and universal. Information to be disclosed to stock exchange as per timeline mentioned in the Listing Agreement and other related clauses.
- ❖ The news reports and requests for verification of market rumors by Regulatory Authorities shall be appropriately and fairly responded by Compliance Officer in consultation with Managing Director of the Company.
- ❖ The Compliance Officer shall ensure that the information shared with Analysts and research personnel is not Unpublished Price Sensitive Information and such meetings / calls or investor relations conferences shall be transcribed or recorded on the website of Company.

Communication or procurement of unpublished price sensitive information

- ❖ No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ❖ No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

the term “legitimate purpose” shall include sharing 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 these regulation.

- ❖ The parties considered as insiders should execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information
