

KEL/ SEC/SKC/6/2015

1st June, 2015

NATIONAL STOCK EXCHANGE OF INDIA LTD

Exchange Plaza,
Plot NoC/1, G Block
Bandra-Kurla Complex
Bandra East
Mumbai – 400 051

SECURITY CODE. KARMAENG

Sub : **Compliance under Regulation 8 & 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015**

In accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Regulations"), a code of Practices and Procedures for fair disclosure of un published price sensitive information of the company has been formulated and adopted by the Board of Directors of the company at with effect from 15th May, 2015. We are enclosing herewith a copy of the code for your records. The same is being uploaded on the website of the company www.karmaenergy.co

In pursuance of Regulation 9 of the Insider Regulations, a code of conduct to regulate, monitor and report trading by its employees etc has also been formulated and adopted by the Board of Directors of the company effective from 15th May, 2015.

Kindly take the above on record and acknowledge the receipt.

Thanking you,

For **KARMA ENERGY LIMITED**

T V Subramanian
CFO & Company Secretary

Encl : as above

KARMA ENERGY LIMITED

***FAIR DISCLOSURE CODE**

**(*Code of Practices and Procedures for Fair Disclosure of Unpublished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

1) TITLE :

This code is the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Karma Energy Limited. For the sake of brevity, it shall be known as "Karma Energy Limited – Fair Disclosure Code".

2) STATUTORY RATIONALE :

This code has been made pursuant to Regulation 8 (1) of Chapter IV of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3) APPROVAL AND COMMENCEMENT:

This Code was approved by the Board of Directors of Karma Energy Limited on 28th May, 2015 and becomes effective from 15th May 2015.

4) DEFINITIONS:

Expression	Meaning
Act	Means Securities and Exchange Board of India Act, 1992.
Board of Directors	Means Board of Directors of Karma Energy Limited.
Code or this Code	Means 'Karma Energy Limited – Fair Disclosure Code', as amended from time to time
Companies Act	Means Companies Act, 2013.
Company	Means Karma Energy Limited.

Regulations	Means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from
Unpublished Price Sensitive Information	Means any information, relating to the Company or its securities, directly or indirectly, that is not generally available and which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: a) Financial results; b) Dividends; c) Changes in capital structure; d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; e) Changes in Key Managerial Personnel; and

5) CORPORATE DISCLOSURE POLICY OBJECTIVE:

To ensure timely, adequate and fair disclosure of all Price Sensitive Information to all stakeholders to avoid misuse of Undisclosed Price Sensitive Information. To make a prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes in to being in order to make such information generally available. To ensure uniform and universal dissemination of Unpublished Price Sensitive Information and to avoid selective disclosures.

6) CHIEF INVESTOR RELATION OFFICER :

The Company Secretary is designated as the Chief Investor Relation Officer to oversee corporate disclosures. The Company Secretary shall be responsible for ensuring that the Company complies with continuous

disclosure requirements, overseeing and coordinating disclosure of Price Sensitive Information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.

7) PRE-APPROVAL OF MARKET SENSITIVE INFORMATION PRIOR TO DISSEMINATION :

Any Price Sensitive Information shall be pre-approved prior to its disclosure / dissemination. In case of doubt, the Company Secretary shall clarify as to whether any information is a Price Sensitive Information.

The approval for dissemination / disclosure of a Price Sensitive Information shall be either granted by the Chief Operating Officer / Chief Executive Officer/ Chief Financial Officer or the Managing / Executive Director, as the case may be. The approving authority may consult the Company Secretary prior to granting any such approval.

8) DISCLOSURE / DISSEMINATION OF PRICE SENSITIVE INFORMATION:

- (a) All the Price Sensitive Information shall be promptly shared with the stock exchange whereupon the Securities of the Company are listed. Such information shall also be disseminated on the web site of the Company.
- (b) Upon coming in possession of any Information which has the potential to be a Price Sensitive Information, a person shall promptly share the same with the Company Secretary. The Company Secretary shall in consultation with the Chief Operating Officer / Chief Executive Officer / Chief Financial Officer or the Managing / Executive Director, decide as to whether such information shall be considered to be a Price Sensitive Information and thereby needs to be shared with the stock exchange for dissemination of general public.
- (c) Upon the decision being made that the information concerned is Price Sensitive Information, the Company Secretary shall disseminate the same to stock exchanges whereupon the Securities of the Company

are listed and also arrange to post the same on the web site of the Company.

- (d) While deciding whether the information is Price Sensitive or not and consequently to decide whether to share the same with general public or not, following factors shall be considered:
- i) Materiality - Whether the information relates to something which has the capability to materially affect, either positively or negatively, the functioning, revenue, profitability or net worth of the Company.
 - ii) Timing - If the information is about happening or non-happening of an event (for instance procurement of a major contract etc.) then whether the fact of happening or non-happening of such event has crystallized without any doubt or is it premature to share such information.
 - iii) Fairness - Whether sharing of such information with general public is fair, in that, will it create a market in the Securities of the Company which is not warranted / sustainable.
 - iv) Completeness - Whether sharing of such information will be misleading considering other relevant / connected factors which are not / can not be shared.
- (e) If any Unpublished Price Sensitive Information is disclosed inadvertently by any person, without pre-approval, to a select group he shall immediately inform the Company Secretary about such happening. The Company Secretary shall promptly arrange to disseminate such Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.

- (f) No Unpublished Price Sensitive Information shall be shared with analysts and research personnel. Alternatively, if any Unpublished Price Sensitive Information is shared with analysts and research personnel then such information shall be simultaneously made public.
- (g) In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives are present at meetings with analysts, brokers or Institutional Investors and discussion is, preferably, recorded.
- (h) In case of questions or queries by analysts etc. which raise questions outside the scope of the discussion, response shall be given later after due consideration. If the answer includes Undisclosed Price Sensitive Information then a public announcement shall be made before responding.
- (i) A transcript or record of the proceedings of meetings with analysts and other investor relations conferences shall be made and posted on the web site of the Company to ensure official confirmation and documentation of the disclosure made.
- (j) All the Price Sensitive Information shall be handled within and outside the Company on the 'need to know' basis. This means Price Sensitive Information shall not be communicated except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.

9) MEDIUM OF DISCLOSURE / DISSEMINATION OF PRICE SENSITIVE INFORMATION:

The dissemination of Price Sensitive Information shall be achieved so as to reach maximum number of stakeholders. If warranted by the sensitivity and materiality of the information the management may decide to disseminate / disclose the information through other mediums like news paper advertisements, direct communication (physical or electronic) etc. in addition to sharing such information

with stock exchanges and posting the same on the web site of the Company.

10) RESPONDING TO MARKET RUMOURS:

Upon receiving any queries or requests for verification of market rumors by the stock exchanges, the Company Secretary shall formulate a reply to the same and, after internal approvals as may be necessary, promptly submit the same to the stock exchange from which such query or request was received. The Company Secretary shall also, in consultation with his reporting authority, decide whether a public announcement is necessary for verifying or denying such rumors and then make the disclosure accordingly.

11) INTERPRETATION:

- (a) The Company Secretary shall be consulted on the matters of interpretation of any of the provisions of this Code. The Company Secretary shall have a right to consult an expert for seeking clarification on any of the provisions of the Regulations or this Code.
- (b) Any reference in this Code to male gender shall be construed to include female and neuter gender.
- (c) Words and expressions used and not defined in this Code but defined in the Karma Energy Limited – Insider Trading Code, Regulations, 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 regulations.
- (d) The words defined in the Code have been capitalized.
- (e) In case if any of the provisions of this Code are found to be not in

conformity with the provisions of the Regulations or any law or rules and regulations framed under any law (hereinafter referred to as the provision of law) then the provision of law shall prevail over such provision of the Code. In such a case, the other provisions of this Code which are not in harmony with the provisions of the law shall continue to apply.

12) AMENDMENTS :

The Board of Directors shall amend / modify the provisions of this Code from time to time, as may be necessary.
