

# **Advani Hotels & Resorts (India) Limited**

## **Code of Conduct Policy**

### **(i) Code of Ethics and Business Conduct for Board Members**

#### **I. INTRODUCTION**

This Code of Ethics and Business Conduct (hereinafter referred to as 'the Code') for the Members of the Board of Directors (hereinafter referred to as "the Directors") has been adopted by Advani Hotels & Resorts (India) Limited (hereinafter referred to as "the Company") to comply with the Listing Agreements entered into with the Stock Exchanges where the securities of the Company are listed i.e. The Bombay Stock Exchange Limited and The Delhi Stock Exchange Association Limited. References to the Company include references to its subsidiary companies as well. This Code shall apply to the Directors of the Company as well as of its subsidiary company.

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This Code is intended to provide guidance and help in recognising and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director is expected to comply with the letter and spirit of this Code.

The Directors of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance and to maintain a work environment that encourages the stakeholders to raise concerns and bring the same to the attention of the Management.

This Code does not attempt to describe all potential problem areas that could develop, but some of the more common problems are described below:

#### **II. CONFLICTS OF INTEREST**

A "conflict of interest" situation may arise when: -

- a. a Director takes action or has interests that may make it difficult for him/her to perform his/her work objectively and effectively,
- b. there is an improper receipt of personal benefits by any member of a Director's family as a result of such Director's position in the Company,
- c. a Director is involved in any outside business activity that detracts such Director from his ability to devote appropriate time and attention to his or her responsibilities towards the Company and such business activity is in conflict with the interest of the Company.
- d. a Director receives any non-nominal gifts or excessive entertainment from any person / company with which the Company has current or prospective business dealings, or

- e. a Director has any significant ownership interest in any supplier, customer, development partner or competitor of the Company.

Each Director should be scrupulous in avoiding 'conflicts of interest' with the Company. In case such a conflict of interest is likely to arise, he/she should make a full disclosure of all facts and circumstances thereof to the Board of Directors (hereinafter referred to as the "Board") or any Committee of the Board and should obtain a prior written approval of the Board.

### **III. HONEST AND ETHICAL CONDUCT**

Each Director shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on the Company's premises and offsite but also at Company sponsored business/social events as well as any other places. Their actions and conduct shall be free from fraud and deception. Their conduct shall conform to the best and widely accepted professional standards of conduct.

### **IV. CORPORATE OPPORTUNITIES**

A "Corporate Opportunity" is an opportunity which: -

- a. is in the Company's line of business or proposed expansion or diversification,
- b. the Company is financially able to undertake, and
- c. may be of interest to the Company.

The Directors owe a duty to the Company to advance the legitimate interests of the Company when the Corporate Opportunity to do so arises. Directors are expressly prohibited from:

- a. taking for themselves personally, Corporate Opportunities that are discovered through the use of the Company's property, information, or position,
- b. competing directly with the business of the Company or with any business that the Company is considering, or
- c. using the Company's property, information, or position for personal gain.

If the Company has finally decided not to pursue a Corporate Opportunity that relates to the Company's business activity, a Director may pursue such activity only after disclosing the same to the Board or the nominated committee of the Board and on obtaining the prior approval of the Board or the nominated committee of the Board for pursuing such activity.

### **V. CONFIDENTIALITY**

The Directors shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which the Company has a duty to maintain confidentiality, except when the disclosure of such confidential information is authorised or legally mandated. The confidential information includes all non-public information (including private, proprietary and other information) that might be of use to the Company's competitors or harmful to the Company or its associates. The use of confidential information by any Director for his/her own advantage or profit is also prohibited. These obligations apply to each Director, not only during his/her term, but thereafter as well.

## **VI. FAIR DEALING**

Each Director should deal fairly with customers, suppliers, competitors and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential proprietary or trade secret information, misrepresentation of material facts, or through any other unfair dealing practices.

## **VII. PROTECTION AND PROPER USE OF COMPANY'S ASSETS**

All Directors should protect the Company's assets and property and ensure its efficient use. Theft, carelessness towards and waste of the Company's assets and property have a direct impact on the Company's profitability. The Company's assets should be used only for legitimate business purposes of the Company.

## **VIII. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS**

The Directors shall comply with all applicable laws, rules and regulations in letter and in spirit. Transactions, directly or indirectly, involving the securities of the Company should not be undertaken without pre-clearance from the Company's compliance officer. Any Director who is unfamiliar or uncertain about the legal rules involving the Company's business, conducted by him/her, should consult the Board at a Board Meeting before taking any action that may jeopardise the Company or that individual.

## **IX. COMPLIANCE WITH THE CODE**

If any Director knows of, or suspects, a violation of applicable laws, rules or regulations or this Code, he/she must immediately report the same to the Board of Directors or any designated Committee thereof. Such Director should, as far as possible, provide the details of such suspected violations with all known particulars relating to the issue. The Company recognises that resolving such problems or concerns will advance the overall interests of the Company and will help to safeguard the Company's assets, financial integrity and reputation.

Violations of this Code will result in disciplinary action, which may even include termination of Directorships and/or termination of services... The Board or any committee of the Board shall determine the appropriate action in response to the violations of this Code.

## **X. PREVENTION OF INSIDER TRADING**

The Directors should observe all applicable laws and regulations including the Company's 'Code of Conduct for Prohibition of Insider Trading' as adopted by the Board and as applicable to them with respect to the purchase and sale of the Company's securities.

## **XI. DISCLOSURES**

Directors and their relatives should not hold any office or place of profit in the Company without a full disclosure of information in connection therewith. If a Director discloses his interest, direct or indirect, in other companies or entities (either as Director, shareholder or otherwise) under Section 299 of Companies Act, 1956, that will be deemed to be sufficient compliance with this Code.

## **XII. INTERPRETATION OF THE CODE**

Any question of interpretation under this Code will be considered by the Board or any committee authorised by the Board of the Company. The Board has the authority to amend, modify this Code or to waive compliance with this Code for any Director of the Company. The Director seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the Committee of the Board. Similarly, a Director, involved in any situation which amounts to a conflict with this Code, shall not participate in the discussion or voting relating thereto.

## **XIII. ACKNOWLEDGEMENT AND DECLARATION**

Each Director shall acknowledge the receipt of this Code in the Acknowledgement Form, indicating that they have received, read and understood and agreed to comply with this Code and report any violation of this Code to the Board immediately. Each Director shall within 30 days of the closure of every financial year affirm the compliance with this Code. The Annual Declaration shall be forwarded to the Board.

## **(ii) Code of Ethics for Senior Officers**

Honesty, integrity and sound judgement of the senior officers is fundamental for the success and reputation of Advani Hotels & Resorts (India) Limited (hereinafter referred to as the "Company"). The professional and ethical conduct of the senior officers is essential to the proper functioning of the Company. The senior officers and the Directors in employment of the Company as well as senior officers of the subsidiary companies shall be bound by the following "Code of Ethics":

- a. Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships.
- b. Make full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with, or submits or makes periodically, to the shareholders, government authorities and/or to the public.
- c. Comply with governmental laws, rules, notifications and regulations applicable to the Company's business.
- d. Disclose to the Board or any committee of the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the Code including actual or apparent conflicts with the interests of the Company.
- e. Promote prompt reporting of violations of the Code of Ethics to the Board or the committee of the Board, as may be necessary.
- f. Respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that such confidential information is not used for personal advantage / benefit.
- g. Maintain the skills necessary and relevant to the Company's needs,
- h. Act in good faith, with responsibility, due care, competence and diligence without misrepresenting material facts.
- i. Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts.
- j. Achieve responsible use of and control over all assets and resources employed or entrusted to them.
- k. Promote ethical and honest behaviour within the Company and its subsidiaries.
- l. Observe the Code of Conduct for Prohibition of Insider Trading.
- m. Refrain from acceptance of any offer, payment or anything of value from customers, suppliers, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision.

All senior officers and Directors in employment of the Company should adhere to this Code of Ethics. Violation of this Code of Ethics will lead to appropriate disciplinary action including dismissal from the services of the Company.

Any deviation/waiver from this Code of Ethics can only be effected on the sole and absolute discretionary authority of the Board or committee of the Board, as the case may be. The provisions of this Code of Ethics may be amended by the Board of the Company from time to time.

The said senior officers shall acknowledge the receipt of this Code of Ethics in the Acknowledgement Form, indicating that they have received, read and understood and agreed to comply with this Code of Ethics and report any violation of this Code of Ethics immediately. The said senior officers shall within 30 days of the closure of every financial year affirm the compliance with this Code of Ethics. The Annual Declaration shall be forwarded to the Board.