

CODE OF CONDUCT

Applicable to the Board of Directors including Key Managerial Personnel and Senior Management Personnel

I. PREAMBLE :

This Code of Conduct ("the Code") shall be called "The Code of Conduct for Board Members , Key Managerial Personnel and Senior Management Personnel of Velan Hotels Limited (hereinafter referred to as "the Company").

In conformity with the vision of the Company to achieve its objectives and with a view for enhancing the ethical values in most appropriate and transparent manner in managing the affairs of the Company, this Code of Conduct was framed and adopted by the Board of Directors of the Company.

II. APPLICABILITY :

The Code shall be applicable to the following (hereinafter referred to as "Covered Parties")

- (1) All While-time Directors
- (2) All Non Whole-time Directors and Independent Directors unless specifically exempted from the Code or some of the provisions of the Code / provisions of the Companies Act, 2013 / Clauses of SEBI (LODR) Regulation.
- (3) All Key Managerial Personnel and Senior Management Personnel of the Company and shall include employees of the Company, who are at the level of one rank below the members of the Board of Directors.

III. COMMITMENTS :

Covered Parties shall :

- (1) act in good faith and fulfil the fiduciary obligations without allowing their independent of judgement to be compromised.
- (2) act in accordance with the highest standards of personal and professional integrity, honesty, good faith, with diligence and responsiveness, excellence in quality, with academic responsibility and freedom and ethical conduct.

- (3) every Director who is in any way, whether directly or indirectly concerned or has financial interest in any business dealings concerning the Company shall disclose the nature of his interest at a meeting of the Board of Directors. Other Key Managerial Personnel and Senior Management Personnel shall also make such disclosure to the / Managing Director / Executive Director. No interested person shall participate in the discussions or vote in the proceedings of the Board or participate in any other manner in the conduct or supervision of such dealings.
- (4) not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
- (5) avoid any dealing with a Contractor or Supplier who compromises the ability to transact business on a professional and competitive basis or that may influence discretionary decision to be made by the Board of Directors of the Company.
- (6) not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him / her to avail such opportunity.
- (7) not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this Clause shall apply to any statement made or views expressed by a Director, who is the member of the Board, which are purely factual in nature and are not considered as confidential, in his / her official capacity or in due performance of the duties assigned to him / her.
- (8) exercise powers conferred upon him for achieving business goals of the Company in a fair and honest manner with reasonable direction and after weighing of the consequences of such use.
- (9) commit to observance of laws and to the avoidance of any conduct which may be considered illegal under the same.
- (10) respect the confidentiality of any proprietary information accessed during the course of discharge of duties and ensure that such information is not used for personal gain.

- (11) shall act on the business principle of equity and justice, confidential interest of client and ultimate goal of the Company.
- (12) not trade, directly or indirectly for shares, securities and commodities considering the "price sensitive information" which they may have direct access / influence and exposure by virtue of their fiduciary position or office of profit.
- (13) not act upon any confidential information relating to clients especially in share, securities and commodities other than in official capacity in the ordinary course of business.
- (14) not commit verbal or physical conduct of a sexual nature to anyone by virtue of their office position.
- (15) not commit any offence involving moral turpitude.

IV. PREVENTION OF INSIDER TRADING :

Covered Parties shall also comply with the existing Code of Conduct for Prevention of Insider Trading laid down in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

V. COMPLIANCE OF LAW :

Covered Parties shall comply with all laws, rules and regulations which arise on account of their being on the Board of the Company.

VI. DISCLOSURE OF INFORMATION :

Covered Parties shall endeavour to produce full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with or submits to the regulators and in other public communications made by the Company.

VII. CONFIDENTIALITY OF INFORMATION :

Covered Parties shall ensure all reasonable measures to protect the confidentiality of non-public information about the Company, its business, customers and other materially significant information obtained or created in connection with any activities with the Company and to prevent unauthorised disclosure of such information unless required by applicable laws or regulations or legal or regulatory process.

VIII. TRANSPARENCY AND AUDITABILITY :

All Covered Persons shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security requires otherwise. Such transparency shall be brought about through appropriate policies, systems and processes.

IX. CONFLICT OF INTEREST :

Covered Parties must act in the best interests of the Company and should avoid any situation where their personal interests conflict or could conflict with their obligations towards the Company.

Covered Parties should not attempt to influence any decision of the Company concerning any matter with a view to derive any direct or indirect personal benefit for the purpose of this Clause :

- "Conflict of Interest" shall mean the interests or benefits of one person or entity conflict with the interests or benefits of the Company.
- "Relative" shall mean and include "relatives" as defined in Section 2 (77) as per the Companies Act, 2013.
- If a related party transaction is unavoidable, it must be fully disclosed to the Board of Directors. Also any dealings with a related party must be conducted in a manner such that no preferential treatment is given to such party.

X. CLIENT AND SUPPLIER RELATIONSHIPS :

The Company's prosperity is founded on client satisfaction. The Company expects Covered Parties to preserve the quality of its client relations by maintaining business relationships that are based on integrity, fairness and mutual respect. Similarly, the Covered Parties are expected to choose suppliers of the Company on the basis of quality, reliability, price, utility and performance or service. Suppliers are to be treated justly, fairly and honestly.

XI. PROTECTION OF ASSETS :

Covered Parties shall protect the Company's assets including physical assets, information and intellectual proprietary rights and shall not use the same for personal gain and by maintaining highest standards of security, they should protect intellectual property right of all assets whether in electronic form or otherwise.

XII. WORK ENVIRONMENT FREE OF HARASSMENT AND DISCRIMINATION :

The Company is committed to ensuring that the Covered Parties are treated with fairness and dignity. Accordingly, Covered Parties shall refrain from indulging in any discriminatory practice based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis.

XIII. OCCUPATIONAL HEALTH AND SAFETY :

Covered Parties must abide by the Company's standards in safety matters, do their part to maintain a healthy and safe working environment and take necessary steps to ensure their own safety and the safety of others concerned.

XIV. ANNUAL COMPLIANCE REPORTING :

In terms of the Regulation 26 (5) of [SEBI \(Listing Obligations & Disclosure Requirements\) Regulations, 2015](#), the Covered Parties shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director leaves the Company anytime during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with the Company.

XV. OTHER DIRECTORSHIPS :

The Directors should disclose their engagements, either as Director or in any other capacity to the Company in accordance with the provisions of the Companies Act, 2013.

XVI. ACCOUNTING PRACTICES :

The Company's responsibilities to its shareholders and investors require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the Company's Auditors and other authorised persons. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company's policy and the law. All documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed within the time frame.

XVII. DUTIES OF INDEPENDENT DIRECTORS :

The Independent Directors 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.
- (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) comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- (7) 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.
- (8) keep themselves well informed about the Company and the external environment in which it operates.
- (9) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.

- (10) 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.
- (11) 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.
- (12) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.
- (13) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- (14) 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.
- (15) an Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the [SEBI \(Listing Obligations & Disclosure Requirements\) Regulations, 2015](#), the [Companies Act, 2013](#) and other allied acts.

XVIII. PLACEMENT OF THE CODE ON WEBSITE :

This Code and any amendment thereto shall be hosted on the website of the Company.

XIX. ENFORCEMENT OF CODE OF CONDUCT :

Each Director, Key Managerial Personnel and Senior Management Personnel shall be accountable for complying with this Code.

XX. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE :

In case of breach of this Code by anyone, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

XXI. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE :

Covered Parties shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

XXII. REPORTING VIOLATIONS :

(a) QUESTIONS AND CONCERNS

Covered Persons should bring any questions regarding the Code to the attention of the Compliance Officer when determining the best course of action in a given situation.

(b) RESPONSIBILITY TO REPORT VIOLATIONS OF THE CODE AND LAW

The Covered Persons should promptly report any actual or apparent violations of this Code. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law.

(c) PROTECTION OF COVERED PERSONS

Covered Persons are expected to promptly contact the Compliance Officer, if he or she is of the belief that he or she has observed illegal or unethical behaviour on the part of any employee, Officer or Director, or by anyone.

The Company will maintain the anonymity of the individual making such a report, to prevent retaliation or discrimination of any kind against anyone who reasonably believes that there has been possible illegal or unethical conduct and reports these concerns in good faith.

However, disciplinary action would be taken against Covered Person(s) who make(s) a report claiming illegal or unethical conduct, knowing such a report to be false.

(d) INVESTIGATIONS

Covered Persons are not permitted to carry out their own investigation, but are required to co-operate fully with any investigation made by the Company or its representatives.

XXIII. AMENDMENTS, MODIFICATION AND WAIVER TO THE CODE :

(a) AMENDMENT

The provisions of this Code can be amended / modified by the Board of Directors of the Company from time to time and all such amendments / modifications shall take effect from the date stated therein.

(b) DEFINITION OF WAIVER

“Waiver” is defined as a material departure from a provision of the Code.

(c) MANNER FOR REQUESTING WAIVERS

The Board of Directors generally will not grant waivers to the Code. Covered Parties seeking waiver must make full written disclosure of the particular situation to the Board and the waiver, if granted, must be approved in writing by the Managing Director of the Company and promptly disclosed.
