



## CODE OF CONDUCT FOR DIRECTORS, KEY MANAGERIAL AND SENIOR MANAGEMENT PERSONNEL

**Effective Date:** With the approval of the Board pursuant to its resolution dated 28.05.2014.  
**Amended:** With the approval of the Board pursuant to its resolution dated 12-02-2018.

Bharat Hotels Limited (“**BHL**” or the “**Company**”) has a well formulated vision which drives the business and has the promise of caring, sharing and growing.

This Code of Conduct (this “**Code**”) highlights the standards of conduct expected from the Company’s directors (the “**Directors**”), the key managerial personnel (“**KMP**”) and senior management personnel (“**SMP**”) and so as to align these with the Company’s vision and values.

This Code has been drawn up in accordance with the requirements of the Companies Act, 2013, as amended (the “**Companies Act**”) and Regulation 17(5) of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the “**SEBI Listing Regulations**”).

### The objectives of this Code are:

- To conduct the business of the Company with integrity, fairness and transparency.
- To meet the expectations of statutory and regulatory authorities and to align the conduct with the expectations of shareholders, other stakeholders and the society at large.

### Applicability

This Code shall apply to all the Directors, KMP and SMP of BHL. KMP includes the Chairperson and Managing Director, the Chief Financial Officer and the Company Secretary and SMP means all Corporate Vice Presidents/Functional Heads, General Managers and Resident Managers of all the hotels of the Company.

Every Director, KMP and SMP is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

### Respect for Individual

- Respect for individuals is the core value of BHL.
- Treat all individuals in employment on the basis of ability, irrespective of nationality, race, caste, creed, religion or gender and not use any offensive/abusive language and treat any one in an insulting manner.
- Act honestly, fairly, ethically, diligently, conduct themselves with integrity in a professional, courteous and respectful manner.
- Neither initiate nor tolerate racial, sexual or any other kind of discrimination or harassment.

### Compliance with Applicable Law

The Directors, KMP and SMP should ensure strict adherence to and the monitoring of legal compliances at all levels with all applicable laws, rules, and regulations.

### Fair and Transparent Conduct

The Directors, KMP and SMP are expected to act in accordance with the highest standards of personal and professional integrity, honesty, diligence and ethical conduct without allowing their independent judgement to be compromised.

### **Conflict of Interest and Corporate Opportunities**

Each Director, SMP and KMP shall avoid actual and apparent conflicts of interest and shall disclose its interest in the contracts entered by the Company, if any actual or potential conflict of interest with the Company and recuse himself/herself from any discussion or decision relating thereto.

Any question about a Director's, SMP's or KMP's actual or potential conflict of interest with BHL should be brought promptly to the attention of the Board or any committee/person designated by the Board for this purpose, who will review the question and determine a proper course of action, including whether consideration or action by the full Board is necessary.

While this Code does not attempt, and indeed it would not be possible, to describe all conceivable conflicts of interest that could develop, the following are some examples of situations which may constitute conflicts of interest:

- Working, in any capacity, for a competitor, customer, supplier or other third party while occupying the position of a Director, SMP or KMP;
- Competing with the Company for the purchase or sale of property, products, services or other interests;
- Directing business to a supplier owned or managed by, or which employs, a relative or friend;
- Receiving loans or guarantees of obligations as a result of one's position as a Director, SMP or KMP;
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company; and
- Accepting, or having a member of a Director's, SMP's or KMP's family accept, a gift from persons or entities that deal with the Company, where the gift is being made in order to influence the Director's, SMP's or KMP's actions as a member of the Board/management, or where acceptance of a gift could otherwise reasonably create the appearance of a conflict of interest.

Directors, SMPs or KMPs should perform their duties in a manner that protects the Company's assets and ensures their efficient use. The Company's assets should be used for legitimate business purposes. The Directors, KMP/SMP should not appropriate corporate business opportunities for themselves or use Company information or property for personal gains. Each Director, SMP and KMP shall endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees and no Director, SMP or KMP shall take unfair advantage of the Company's customers, suppliers, competitors or employees through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

### **Multiple Conflicting Engagements**

The Directors shall avoid joining the board of directors of any competitors of the Company or taking up advisory or consultative assignments, whether for remuneration or otherwise, in competing organisations. SMPs shall not accept any office of profit or pursue any business interests.

### **Gifts and Entertainment**

When gifts and entertainment are offered as an inducement to influence a business decision, it must be desisted.

### **Confidential Information**

The Directors, KMPs and SMPs are expected to handle confidential information discreetly and not to use confidential information acquired in the course of their service as a Director, SMP or KMP for their own advantage or profit, whether directly or indirectly. This obligation continues even after leaving the directorship/employment of BHL for three years. Confidential information shall include all non-public information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors or harm the Company, its vendors, suppliers or its advertisers, if disclosed, and shall also include any information relating to the Company's business and affairs that

results in or would reasonably be expected to result in a significant change in the market value of the Company's securities or any information a reasonable investor would consider important in making an investment decision.

### **External communication with media and investors**

To maintain and retain BHL's reputation and to ensure that information to media/investors is accurate and properly presented, only the Chairperson and Managing Director or any one designated by the Chairperson and Managing Director shall give interviews or make statements to media/investors.

### **Record Keeping**

All books, records, accounts and financial statements will be maintained in reasonable detail, appropriately reflect transactions and conform to both applicable legal requirements and systems of internal control.

### **Duties of Directors**

There are certain duties described for all directors, both Independent and Non- Independent, which are fiduciary in nature and re-produced below:

- a) To act in accordance with the Articles of Association of the Company.
- b) To act in good faith to promote the objects of the Company in the best interests of the Company;
- c) To discharge duties with due and reasonable care, skill and diligence;
- d) Not to get involved in a situation which may be in direct or indirect conflicts or may conflict with the interests of the Company;
- e) Not to make or attempt to make any undue gain or advantage either to yourself or to your relatives, partner or associates;
- f) Not to assign your office as director and any assignments so made shall be void.

In addition to the above Non-Executive Independent Director shall have the following additional responsibilities:

- a. Strategy: Constructively challenge and help develop proposals on strategy.
- b. Performance: Scrutinize the performance of Management in Meeting agreed goals and objectives.
- c. Risk: Integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- d. People: Determining the appropriate levels of remuneration of Executive Directors as per the recommendation of Nomination and Remuneration Committee and appointment of the Executive Directors.
- e. Reporting: Accurate reporting on the performance and financial position of the Company.
- f. Compliance compliance with the applicable legislations and regulations under review and the conformity of the Company's practices to accepted norms.

### **Penalty for Breach**

The Directors, KMPs and SMPs are accountable for full compliance with this Code. Sanctions for breach of this Code shall be determined by the Board in case of Directors and by the Chairperson and Managing Director in case of KMPs/SMPs. Sanctions may include disciplinary action, removal from office, and any other remedies as may be deemed appropriate and permitted by law.

### **Annual Affirmation**

The Directors, KMP/SMP shall affirm compliance with the Code as on 31st March of each year in the form attached as Annexure A.

**Disclosure**

This code shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Companies Act, 2013 and rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other regulatory requirements.

**Effective date**

This code has been adopted by Board pursuant to its resolution dated 28.05.2014.

This Amended code has been issued with the approval of the Board pursuant to its resolution dated 12-02-2018.

**Amendment of this Code**

The Company reserves the right to amend the code at any point of time. Any amendment to the code shall take effect from the date when it is approved by the Board.

**DATE:** 12-02-2018

**Annexure A**  
**ACKNOWLEDGMENT OF RECEIPT OF CODE OF CONDUCT**

I have received, read and accept the Company's Code of Code for Directors, Key Managerial Personnel and Senior Management. I understand the standards and policies contained in the Company's Code of Conduct for Directors, Key Managerial and Senior Management Personnel and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company's Code of Conduct for Directors, Key Managerial Personnel and Senior Management.

If I need any clarification concerning the meaning or application of the Company's Code of Conduct for Directors, Senior Management and Key Managerial Personnel, any Company policies, or the legal and regulatory requirements applicable to my position in the Company, I know I can consult the Chairperson and Managing Director or the Company Secretary of the Company, knowing that my questions or reports to these sources will be maintained in confidence.

\_\_\_\_\_  
(Name of the Director/KMP/SMP)

Date: \_\_\_\_\_

*Please sign and return this form to the Company Secretary.*