

JINDAL HOTELS LIMITED

Code of Conduct

Jindal Hotels Limited (JHL) is committed to the code of conduct enunciated by the Board of Directors.

All Senior Management employees (herein after referred to as “Employees”) of the Company are expected to adhere to the following tenets of the code:

➤ **National Interest**

Jindal Hotels Ltd shall be committed in all its actions to benefit the economic development of the State of Gujarat (India) in which it operates, and shall not engage in any activity that would adversely affect such objectives. It shall not undertake any project or activity to the detriment of the nation's interests or those that will have any adverse impact on the social and cultural life patterns of its citizens.

Jindal Hotels Ltd shall conduct its business affairs in accordance with the economic, development and foreign policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level as appropriate.

➤ **Financial Reporting And Records**

Jindal Hotels Ltd shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the Country in which the Company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to Company auditors – Statutory as well as Internal and other authorized parties and government agencies. There shall be no willful omissions of any Company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the code, apart from inviting appropriate civil or criminal action under the relevant laws.

➤ **Competition :**

Jindal Hotels Ltd shall fully strive for the establishment and support of a competitive open market economy in India and abroad and shall cooperate in the efforts to promote the progressive and judicious liberalization of trade and investment by a country.

Specifically, Jindal Hotels Ltd shall not engage in activities which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

Jindal Hotels Ltd shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

➤ **Equal-Opportunities Employer**

Jindal Hotels Ltd shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, color, ancestry, marital status, sex, age, nationality, disability and veteran status.

Employees of Jindal Hotels Ltd shall be treated with dignity and in accordance with the policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

➤ **Gifts And Donations :**

Jindal Hotels Ltd and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration or comparable benefits which are intended to or perceived to obtain business or un-competitive favors for the conduct of its business. However, Jindal Hotels Ltd and its employees may accept and offer nominal gifts, which are customarily given and are of commemorative nature for special events.

➤ **Government Agencies :**

Jindal Hotels Ltd and its employees shall not offer or give any Company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favorable performance of official duties.

➤ **Political Nonalignment**

Jindal Hotels Ltd shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. Jindal Hotels Ltd shall not support directly or indirectly any specific political party or candidate for political office. The Company shall not offer or give any Company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

➤ **Health, Safety And Environment :**

Jindal Hotels Ltd shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. Jindal Hotels Ltd shall be committed to prevent the wasteful use of natural resources and minimize any hazardous

impact of the development, production, use and disposal of any products and services on the ecological environment.

➤ **Corporate Citizenship :**

Jindal Hotels Ltd shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant.

Such social responsibility would comprise: to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities.

The Company would also not treat these activities as optional ones but would strive to incorporate them as integral part of its business plan. The Company would also encourage volunteering amongst its employees and help them to work in the communities.

➤ **Cooperation With the Companies in the Surrounding Areas :**

Jindal Hotels Ltd shall cooperate with other companies in the surrounding area by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholder value.

➤ **Public Representation of the Company :**

Jindal Hotels Ltd honors the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing Company and business information to public constituencies such as the media, the financial community, employees and shareholders, Jindal Hotels Ltd shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the Company.

➤ **Third-party representation :**

Company will not have business dealing with the parties whose business conduct and ethics are known to be inconsistent with the code.

➤ **Shareholders**

Jindal Hotels Ltd shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors of Jindal Hotels Ltd shall duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

➤ **Ethical Conduct :**

Every employee of Jindal Hotels Ltd, which shall include the managing director, shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards.

Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Every employee shall be responsible for the implementation of and compliance with the Code in his Professional Environment. Failure to adhere to the code could attract the most severe consequences.

➤ **Regulatory Compliance :**

Every employee of Jindal Hotels Ltd shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, where he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code then the standards of the code shall prevail.

➤ **Concurrent Employment**

An employee of Jindal Hotels Ltd shall not, without the prior approval of the managing director of the Company, accept employment or a position of responsibility (such as a consultant or a director) with any other Company, nor provide 'freelance' services to anyone. In the case of a whole-time director or the managing director such prior approval must be obtained from the board of directors of the Company.

➤ **Conflict of Interest**

An employee of Jindal Hotels Ltd shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company. A conflict of interest, actual or potential, may arise where, directly or indirectly,

- (a) an employee of Jindal Hotels Ltd engages in a business, relationship or activity with anyone who is party to a transaction with his Company;
- (b) an employee is in a position to derive a personal benefit or a benefit to any of his relatives by making or influencing decisions relating to any transaction, and (c) an independent judgement of the Company's or group's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- (i) Financial interest of an employee of Jindal Hotels Ltd or his relatives including the holding of an investment in the subscribed share capital of any Company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the Jindal Hotels Ltd. (The ownership of up to 1% of the subscribed share capital of a publicly held Company shall not ordinarily constitute a financial interest for this purpose.)
- (ii) An employee of Jindal Hotels Ltd conducting business on behalf of his Company or being in a position to influence a decision with regard to his Company's business with

a supplier or customer of which his relative is a principal, officer or representative, resulting in a benefit to him or his relative.

- (iii) Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of Jindal Hotels Ltd where such an individual is in a position to influence the decision with regard to such benefits.
- (iv) Acceptance of gifts, donations, hospitality and / or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the Company's management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a Company or firm which is a supplier, customer or has other business dealings with his Company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his immediate superior who shall forward the information along with his comments to the Company Secretary who in turn will place it before the MD / CEO and / or the Board of Directors / Committee of Directors appointed by the board and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve / avoid the conflict.

If an employee fails to make a disclosure as required herein and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

➤ **Securities Transactions And Confidential Information**

An employee of Jindal Hotels Ltd and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitutes insider information.

An employee of Jindal Hotels Ltd shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the respective Jindal Hotels Ltd on which such insider information has been obtained.

Such insider information might include the following:

- (i) acquisition and divestiture of businesses or business units;
- (ii) financial information such as profits, earnings and dividends;
- (iii) announcement of new product introductions or developments;
- (iv) asset revaluations, investment decisions/plans, restructuring plans;
- (v) major supply and delivery agreements, raising finances.

The designated employees under the Code on Insider Trading shall adhere strictly to the code formulated by the Board of Directors under the SEBI (Insider Trading) Regulations.

➤ **Protecting The Company's Assets:**

The assets of Jindal Hotels Ltd should be used only for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc., and should not be misused for the personal gain.

➤ **Citizenship :**

An employee of Jindal Hotels Ltd shall in his private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the Company or the group.

➤ **Integrity of Data Furnished :**

Every employee of Jindal Hotels Ltd shall ensure, at all times, the integrity of data or information furnished by him to the Company.

➤ **Reporting Concerns:**

Every employee of Jindal Hotels Ltd shall promptly report to the management any actual or possible violation of the code or an event he becomes aware of that could affect the business or reputation of his or Jindal Hotels Ltd.

JINDAL HOTELS LIMITED

CODE OF CONDUCT FOR INSIDER TRADING RULES

Sub. : Insider Trading Compliance.

The Securities and Exchange Board of India has promulgated the Insider Trading Regulations in order to ensure that no undue benefit of the insider information is taken by those who are in the employment of Company and have access to the vital price sensitive information. The brief note on what is insider trading and what is to be done is given below for the ready reference. The Board of Directors have approved the applicability of these provisions to the employees of the level of Head of the Department, Employees of Share Department, Accounts & Finance Department and MD/ED/Director office and above and also to the members of the Board of Directors.

It is hereby requested that the smooth compliance of the insider trading regulations highly desirable also in the light of good Corporate Governance and transparency. The copies of the relevant forms can be had from the Share Department.

Thanking you,

Ms. Karuna V Advani
Compliance Officer

To,

All the Members of the Board of Directors.
All the Employees in the rank of Head of the Department.
All employees of the Share Department, Accounts/Finance Department.
All the employees of MD/ED/Director Office.

Sub: Insider Trading under the amended regulations of SEBI.

With reference to the above subject SEBI has introduced Amendment to the SEBI (Prohibition of Insider Trading) Regulations, 1992 w.e.f. 20th February, 2002 making the regulations more stringent and also making mandatory for all the listed companies to ensure the compliance of these regulations.

The brief highlights of these amended regulations are given under the following headings :

☆ Definition of Insider Trading :

The term insider trading means buying or selling or dealing in the securities of the listed Company by a director, member of management, employee of the firm, advisor, analyst, Statutory / internal auditor, agent etc. who has the knowledge of the material inside information and such inside information means the information which is not available to an outsider. The inside information will be the price sensitive information like :

- ⇒ Periodical financial results of the Company.
- ⇒ Intended declaration of dividends.
- ⇒ Issue and buyback of securities.
- ⇒ Any major expansions, diversifications etc.
- ⇒ Amalgamations, mergers etc.
- ⇒ Disposal of the whole or substantial part of the undertaking
- ⇒ Any significant changes in the policies, plan or operations

📖 DISCLOSURE REQUIREMENT UNDER THE REGULATIONS :

The disclosure requirements are divided into three parts viz. :

- ⇒ Initial Disclosures is to be made by persons holding more than 5% shares or voting rights (substantial shareholders) in listed Co. shall disclose to the Co. the no. of shares/voting rights held in 4 days of the receipt of allotment intimation or acquisition of shares or voting rights.. Similar disclosures are required to be made by directors, officer and designated employees of the listed Company also.
- ⇒ Continual Disclosures are required to be made by the substantial shareholders
- ⇒ The Company is required to intimate within 05 days of its receiving the intimation / disclosure the Stock Exchanges where the shares of the Company is listed.

📖 VIOLATION OF THE PROVISIONS OF DISCLOSURE :

Any violation by the person of the provisions of regulations shall be liable for the following punishment :

1. Any person who trades or communicates any information for trading in Shares / Securities of the Company in contravention of Code of Internal Procedure and conduct, may be penalized and appropriate action will be taken by the Company which may include wage freeze, suspension, ineligibility to deal in the Shares / Securities of the company in future or any other punishment looking to the gravity of non-compliance.

2. Over and above the disciplinary action that may be taken by the Company, Securities and Exchange Board of India may also take any action in case of violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

☞ The following requirements are to be complied with by the Company in order to ensure that the contravention of the insider trading regulations does not take place :

- ❑ To devise the code of internal procedures & conduct for curbing the insider trading within the organisation.
- ❑ Appointment of Compliance officer CS for the purpose thru' whom all the permissions that are required under insider trading for dealing in Company's securities and to do all such things that may be required.
- ❑ Put up the internal code of internal procedures & conduct to the Board for approval.
- ❑ To notify the internal code of conduct to all the employees within the organisation.

The note is put up for the information and approval for taking the above steps for implementing the insider trading regulations. The draft code of internal procedures & conduct is enclosed herewith.

Encl. As above

CODE OF INTERNAL PROCEDURES AND CONDUCT

PREAMBLE

The Securities and Exchange of India (SEBI) has made drastic changes in the SEBI (Prohibition of insider Trading) Regulations, 1992 in the month of February 2002. Under the new Regulations, the Company is required to comply with various stringent requirements. Accordingly your Company has to formulate the Code of Internal Procedures and Conduct and draft of the same is given below.

1. Compliance Officer:

- 1.1 Company Secretary is appointed as Compliance Officer, who shall report to Managing Director in respect of this matter.
- 1.2 Directors / Designated Employees

The following persons of the Company are required to comply with various provisions of this Code of Internal procedures and Conduct.

- i. All the members of Board of Directors
- ii. All employees in the rank of Head of the Department
- iii. All the employees of Accounts and Finance Department
- iv. Employees of Share Department & MD Office

(Hereinafter collectively called as "Persons")

- 1.3 If any of the designated employees require any clarification, he or she may approach the Compliance Officer of the Company.

2. Preservation of price sensitive information

- 2.1 All the aforesaid persons are mandatory required to maintain the confidentiality of all price sensitive information and no person will pass on such information to anyone directly or indirectly by way of making a recommendation for the purchase or sale of securities.

Explanation:

Under the Regulations, "price sensitive information" has been defined as follows:

'Price sensitive information' means any information, which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company.

- 2.2 All the persons are required to handle any price sensitive information on a "need to know" basis i.e. price sensitive information should be disclosed only

to those within the Company who need the information to discharge their duty.

- 2.3 All the persons should ensure that all the files containing confidential information shall be kept secured. Computer files must have adequate security of login and password etc.

3. Prevention of misuse of price sensitive information

All the persons are advise to follow the following procedure before transacting or trading in (buy or sell) Shares / Securities of the Company.

- 3.1 the employees must not trade in the Shares / Securities of the Company from 3 days prior to the Board meeting to consider the following business upto 24 hours after the completion of the Board meeting.
 - a. Declaration of Financial Results (quarterly, half-yearly and annually).
 - b. Declaration of dividends (interim and final).
 - c. Issue of securities by way of public / rights / bonus etc.
 - d. Any major expansion plans or execution of new projects.
 - e. Amalgamation, mergers, takeovers and buy-back.
 - f. Disposal of whole or substantially whole of the undertaking.
 - g. Any changes in policies plans or operations of the Company.

Explanation:

Suppose the meeting of the Board of Directors for declaration of Financial Results is to be held on 21st May. Then any person can not trade in (buy or sell) the Shares / Securities of the company from 18th May 2005 (i.e. 3 days prior to the Board meeting) upto 22nd May 2005 (i.e. 24 hours from end of the Board meeting). He / She can trade only from 23rd May 2005.

3.2 Trading Window;

The Compliance Officer will let you know the opening and closing of Trading Window. During the Closure of Trading Window, any person cannot deal in the Shares / Securities of the Company. For example from the explanation provided in point No. 3.1 it can be said that Trading Window will be closed during 18th May 2005 to 22nd May 2005 and therefore, any person cannot deal in the Shares / Securities of the Company during that period. For remaining days, Trading Window will be open during which dealing in Shares / Securities will be allowed.

- 3.3. The threshold limit fixed by the Company for the persons is 5000 Equity Shares or such number of Equity Shares of which the total market value should not be more that Rs.1, 50,000/- whichever is less. Any person who wants to deal in the securities of the Company exceeding the threshold limit must pre-clear the transaction as per the pre-dealing procedure as described hereunder:

- 3.4. An application in prescribed form is to be submitted by designated employee who wants to deal in security exceeding the aforesaid threshold limit to Shri Damodar Barhate, Compliance Officer.
- 3.5. All the persons are required to execute an undertaking in prescribed form in favor of the Company initially and also from time to time he / she deals in (buy or sell Shares / Securities of the company).
4. Other Restrictions:
 - 4.1 All persons shall execute their order in respect of the Shares / Securities of the Company within one week after the approval of pre-clearance given by the Compliance Office. If the order is not executed within one week after the approval is given, the person must pre-clear the transaction again.
 - 4.2 All the persons shall hold their investments for minimum period of 30 days in order to be considered as being held for investment purpose.
 - 4.3 In case the sale of Shares / Securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his / her reasons in this regard.
5. Reporting requirements for transaction in Shares / Securities:
 - 5.1 All the persons are required to forward following details to the Compliance Officer:
 - a. All the holdings in Shares / Securities of the Company held by him / her (including the dependent family members) at the time of joining the Company.
 - b. Monthly statement of any transactions in Shares / Securities of the Company by the person (including the dependent family members), (the statement must reach the Compliance Officer on or before 5th day of every month).
 - c. Annual Statement of all holdings in Shares / Securities (including the dependent family members) of the company.
 - 5.2 the Compliance Officer shall maintain records of all the declarations for a period of 3 years.
 - 5.3 The Compliance Officer shall place the declarations received from all the persons before MD and to Share / Debenture Transfer & Investors Grievance Committee.
6. Penalty for contravention of code of conduct:

- 6.1 Any person who trades or communicates any information for trading in Shares / Securities of the Company in contravention of Code of Internal Procedure and conduct, may be penalized and appropriate action will be taken by the Company which may include wage freeze, suspension, ineligibility to deal in the Shares / Securities of the company in future or any other punishment looking to the gravity of non-compliance.
- 6.2 Over and above the disciplinary action that may be taken by the Company, Securities and Exchange Board of India may also take any action in case of violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

[TO BE SUBMITTED TO Ms. Karuna Advani, COMPLIANCE OFFICER WITHIN 5 DAYS FROM THE DATE OF COMMUNICATION]

DECLARATION / UNDERTAKING

I, _____ the undersigned have been Director / Designated Employee of Jindal Hotels Limited Limited w.e.f. _____.

As on the date of signing this declaration / undertaking, I am holding _____ Equity Shares of the Company.

I have gone through the Code of internal Procedures sent by Ms. Karuna V Advani, Compliance Officer and also understood the same.

I hereby declare that up to the signing of this declaration / undertaking, I do not possess any price sensitive information in respect of the Company.

I undertake that incase I have access to or receive any price sensitive information in respect of the Company after signing this declaration / undertaking, but before the execution of transaction in the Shares / Securities of the Company, I shall inform Ms. Karuna V Advani, Compliance Officer, of the change in my position and I will completely refrain from dealing in the Shares / Securities of the Company till the time such sensitive information becomes public. I will not pass on any price sensitive information to anyone.

I further declare that till the signing of this declaration / undertaking, I have not contravened the Code of Internal procedures and Conduct for prevention of insider trading, and that I have made a full and true disclosure in this matter.

Date: This _____ day of _____ 200

Signature of Director /
Designated Employee

[PROFORMA OF APPLICATION FORM TO BE SUBMITTED TO COMPLIANCE OFFICER FOR PRE-CLEARANCE OF TRADE]

From:

Date:

To:

Ms. Karuna V Advani
Compliance Officer
JHL Baroda

Dear Sir,

Sub: Getting of approval for pre-clearance of trades

I _____, the undersigned Director / Employee of the Company holding _____ Equity Shares (including Shares held by my dependent relatives) intend to deal in the Shares / Securities of the Company exceeding the threshold limit provided under the Code of Internal Procedures and Conduct.

I am having demat account with _____ . my client ID No. is _____ and DPID No. is _____ . I want to buy /sell _____ Equity Shares.

Kindly give me your approval for trading in Shares / Securities of the Company at the earliest.

Thanking you,

Yours faithfully,

Name of the Director / Employee