

HOTEL LEELAVENTURE LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

IN TERMS OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

(EFFECTIVE FROM 1TH APRIL, 2019)

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, notified on January 15, 2015 in the official gazette (hereinafter referred to as the 'Regulations'), the Company is required to frame a policy of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (the "code").

In line with the amendments in the Regulations and in compliance with Regulation 8(1) a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information was adopted by the Board of Directors of the Company in its meeting held on 27 May, 2015 (which was effective from 15th May, 2015) in order to ensure fair disclosure of events and occurrence. The Securities and Exchange Board of India vide its circular dated 31st December, 2018 and 21st January, 2019 has further modified the SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 1st April, 2019.

This Code has been amended accordingly and the same has been adopted by the Board of Directors effective from 1st April, 2019.

1. **Definitions**

For the purpose of this code the following terms shall have the meanings assigned to them hereunder:

- i. **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- ii. **"Code"** or **"this Code"** shall mean this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;
- iii. **"Company"** or **"the Company"** means Hotel Leelaventure Limited;
- iv. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis, such as information published on the website of the stock exchanges or on the website of the Company.
- v. **"Insider Trading Regulations"** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

- vi. **"Unpublished Price Sensitive Information"** or **"UPSI"** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company and shall, ordinarily include but not restricted to, information relating to the following events:
- (a) financial results;
 - (b) dividends;
 - (c) change in capital structure;
 - (d) mergers, de-mergers, acquisitions, delisting, disposals, sale and expansion of business and such other transactions; and
 - (e) changes in key managerial personnel.
- vii. Other terms not specifically defined here shall have the same meaning as assigned under the 'Code of Conduct for Prevention of Insider Trading' in Securities of Hotel Leelaventure Limited' and 'the Insider Trading Regulations'.

The provisions of this Code have to be read along with the Insider Trading Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

3. **Purpose of the Code**

This Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI.

4. **Principles of Fair Disclosure**

The Company shall ensure:

- i. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- ii. Uniform and universal dissemination of UPSI to avoid selective disclosure.
- iii. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- iv. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. The response to regulatory authorities shall be responded by the Company Secretary or any other person authorized by the Board
- v. Information shared with analysts and research personnel is not UPSI.
- vi. to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences to ensure official confirmation and documentation of disclosures made.
- vii. Handling of all UPSI on a need-to-know basis. No UPSI shall be communicated to any person except in furtherance of Legitimate Purpose or performance of his duties.

5. Overseeing and coordinating disclosure

- i. The Company Secretary shall act as the Chief Investor Relations Officer ("CIRO") to deal with dissemination and disclosure of UPSI.
- ii. The CIRO would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the Insider Trading Regulations.
- iii. The CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of UPSI to Stock Exchange(s) where the Company's Securities are listed .
- iv. If UPSI is accidentally disclosed without prior approval of the Chairman & Managing Director or Co-Chairman & Managing Director, the person responsible shall inform the CIRO immediately and the CIRO shall then take appropriate action to make such information generally available.

6. Responding to market rumours

The Company will not respond to every market rumor. However, if requested by the Stock Exchange, the Company will submit its response to the market rumor. The CIRO may consult the Chairman & Managing Director or Co-Chairman & Managing Director or the Chief Financial Officer of the Company in this regard and thereafter make appropriate disclosures.

7. Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Research Personnel, Institutional Investors

Ensure that no communication shall be made by the Company to any analyst or investor of any UPSI or a part thereof at any such meetings with analysts or investor conferences. All information communicated at such meetings will be only such information that is available in public domain or otherwise disclosed on the website of the Company or in transcripts or recordings of quarterly results disclosed on the website of the Company.

8. Medium of disclosure/dissemination

- i. The Company shall ensure that disclosure to Stock Exchange(s) where the Company's securities are listed is made promptly.
- ii. The Company may also facilitate disclosure through the use of its official website.
- iii. The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the Company website.

9. Policy for determination of "Legitimate Purpose"

The Policy for determination of "Legitimate Purposes" is annexed and forms part of this Code.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges(s) where the Company's securities are listed, as required under the Insider Trading Regulations.

Policy for Determination of "Legitimate Purposes"

1. This Policy is effective from 1st April, 2019.

The Policy forms part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". This Policy shall be strictly adhered to by every Insider of the Company.

2. Communication of UPSI pursuant to Legitimate Purpose

"Legitimate Purpose" shall include sharing of UPSI in the ordinary course of business, on a need-to-know basis, by an Insider with:

- (i) Designated persons;
- (ii) Partners;
- (iii) Collaborators;
- (iv) Lenders;
- (v) Customers;
- (vi) Suppliers;
- (vii) Merchant bankers;
- (viii) Legal advisors;
- (ix) Auditors;
- (x) Insolvency professionals;
- (xi) Other Lawyers, advisors or consultants;
- (xii) Credit rating agencies;
- (xiii) Bankers;
- (xiv) Trustees;
- (xv) Asset Reconstruction Companies;
- (xvi) Such other person as may be decided by the Compliance Officer from time to time;

provided that such sharing has not been carried out to evade or circumvent the prohibition of the Insider Trading Regulations.

To illustrate, procuring /sharing of information in the ordinary course of business for the purpose of finalization of accounts would be considered as Legitimate Purpose.

3. Conditions for sharing of UPSI pursuant to "Legitimate Purpose"

Any person in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons which would inter alia include the following:-

- (i) The information shared is in the nature of UPSI.
- (ii) To maintain confidentiality of such UPSI and not to disclose such UPSI except in compliance with Insider Trading Regulations.
- (iii) Not to trade in securities of the Company while in possession of UPSI.

- (iv) The information will be shared in furtherance of the business of the Company and in the ordinary course of business of the Company.
- (v) The UPSI will be shared with the external agencies only in the interest of the Company and with the requirements of the law.

4. Trading when in possession of UPSI

When a person who has traded in securities has been in possession of UPSI, his trade(s) would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

5. Maintenance of Digital Database

The Company shall maintain a structured digital database of the persons with whom UPSI is shared, as required under the Insider Trading Regulations. The database shall inter alia contain the names of the persons or entities with whom the information is shared under the Insider Trading Regulations along with the Permanent Account Number ("PAN") or any other identifier authorized by law where PAN is not available.

6. Penalties and Fines applicable in case of violation of the Policy

Any sharing of UPSI, other than in compliance with the Policy and the Insider Trading Regulations, would be construed as a violation. The onus lies on the insider to prove to the contrary.

In case of any violation of this Policy, disciplinary action would be taken by the Company. The Company shall also inform SEBI about the violation.

7. Policy Adherence Responsibility:

The responsibility for adherence to this Policy vests entirely with the person who is sharing the UPSI as well as the recipient of the UPSI.

Amendment:

The Company reserves the right to amend or modify this Code in accordance with any regulatory amendment or notification or otherwise at any time without assigning any reason whatsoever. Any such amended code will be accordingly updated on the website of the Company.
