

Sagar Tourist Resorts Limited

Code of conduct for Board members and Senior Management Personnel.

1. Introduction

This code of Conduct shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Sagar Tourist Resorts Limited (hereinafter referred to as "the Company").

The subject code has been framed specifically in compliance with the provisions of clause 49 of the listing agreement with stock exchanges.

The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company.

It shall come into force with effect from 1st April 2022.

2. Definitions & Applicability:

The term "Board Members" shall mean Directors on the Board of Directors of the Company.

For this code, members of the senior management (hereinafter referred to as 'senior managers') shall mean those personnel of the company, who are members of the core management team.

Directors and senior managers shall affirm compliance with this code on an annual basis as at the end of each financial year.

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interest of the Company and observe the following Code of Conduct:

Key Requirements:-

Directors and Senior Managers:

- shall observe the highest standards of ethical conduct, and integrity and shall work to the best of their ability and judgement. Directors and senior managers shall be governed by the rules and regulations of the company as are made applicable to them from time to time.
- shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest to: (a) Board of Directors in case of Directors (whole-time & part-time) and (b) Chairman in case of Senior Management Personnel for further directions in the matter.

- shall avoid having any personal financial interest in works or contracts awarded by the Company.
- shall avoid any relationship with a contractor or supplier that could compromise their ability to transact business on a professional, impartial and competitive basis or could influence decisions to be made by the Company.
- shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect their performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interests of the Company.
- shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman as the case may be.
- shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, or any act or failure to act, which could lead to commitment of fraud or opportunity for committing any fraud.
- shall comply with all applicable laws, rules and regulations. Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.
- shall not serve as a Director of any other Company or as a partner of a firm that competes with the Company. Whole Time Directors and Senior Management Personnel shall obtain approval of the Chairman prior to accepting Directorship of any other Company or partnership of a firm.
- shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of (i) trading in the shares of the Company, (ii) transactions having personal interest and (iii) related party transactions that are required to be made under laws, rules & regulations and Code for prevention of Insider Trading in the Securities of the Company.
- shall consider confidential and hold in confidence, unless authorized to do so and when disclosure is required as a matter of law, any information concerning the Company's business, its customers, suppliers, etc, which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information. No Board Member and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.
- shall protect the Company's assets, labour and information and may not use these for personal use, unless authorized to do so.

DOING THE RIGHT THINGS

At Sagar Tourist Resorts, the crux of the company's business ethics is "doing the right thing". To realize this commitment, we have set for ourselves, certain sacrosanct policies and principles. All senior managers and employees of the company are expected to adhere to these policies and principles with the belief that even the perfection can be improved upon. These tenets are:-

1. National interest

The company shall be committed to conduct its business affairs in accordance with the policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the economic development of the country.

The Company 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.

2. Financial reporting and records

The company 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 and other authorised parties and government agencies. There shall be no wilful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any wilful 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.

3. Health & Safety

Sagar Tourist Resorts overriding priority is to protect the health and safety of each employee and the Company has a stake in a healthy, injury-free work environment. That is why it is so important to follow procedures designed to reduce the risk of accidents and use equipment safely. Each employee is responsible for observing the safety and health rules that apply to his or her job. All senior Managers shall ensure that there should be no compromise of an individual's well-being in anything Sagar Tourist Resorts does.

4. Shareholders

The company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors as well as senior Managers of the company 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.

5. Protecting the company's assets

The assets of the company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. 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.

6. Equal-opportunities employer

Sagar Tourist Resorts is committed to a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Company. With this objective the senior Managers shall ensure that the company shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, marital status, sex etc., and shall treat them with dignity. Employee policies and practices would ensure that in all matters equal opportunity is provided to those eligible and that decisions are merit- based.

7. Political nonalignment

The company shall be committed to and shall support a functioning democratic constitution and system with a transparent and fair electoral system in India. The company 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.

8. Quality of products and services

The company shall be committed to supply goods and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the company's goods and services should at least meet the required national standards and the company should endeavour to achieve the highest prevailing international standards.

9. Political Contributions

All senior Managers are duty bound to oversee that the Employees shall not make any contribution of company funds to any political party or committee, domestic or foreign, or to any candidate for or holder of any office of any government – National, State, local or foreign unless it is legally permissible and is appropriately authorized.

Sagar Tourist Resorts employees should not make illegal political contributions, either directly or indirectly, through the use of expense accounts or through payments to third parties or on their own account.

10. Public representation of the company and the group

The company honours 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, the company or the Sagar Tourist Resorts group shall be represented only by specifically authorised directors, senior Managers and employees. It will be the sole

responsibility of these authorised representatives to disclose information on the company.

11. Personal Integrity

All senior Manager should take responsibility not for their own actions but also for the actions of their immediate subordinates. That can be a challenge in a complex and changing environment where the Company's assignments may change and the laws and policies governing the actions can also change. Still, all senior Managers are responsible for all aspects of their job, performance, whether they act individually or as team Managers. In assessing responsibility, courts and agencies do not find corporations alone responsible for illegal business conduct. Employees, too, can be held personally accountable.

12. Use of the Sagar Tourist Resorts brand

The use of the Sagar Tourist Resorts name and trademark owned by Sagar Tourist Resorts shall be governed by manuals, codes and agreements issued/to be issued by Sagar Tourist Resorts.

13. Export Compliance

There are laws and regulations that apply to the export of products and technical data from some countries into others. Severe penalties are imposed for violations. All employees involved with exports or cross-border transfers must become familiar with the applicable regulations and procedures. Compliance must also be maintained with anti-boycott and international embargo regulations.

14. Ethical conduct

Every employee of the company, all senior Managers whole-time directors and 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.

All the aforesaid persons 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 including termination of employment.

15. Regulatory compliance

Every employee of the company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which 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.

16. Concurrent employment

A Senior Manager of the company shall not, without the prior approval of the Chairman and 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.

17. Conflict of interest

A Senior Manager and an employee of the company shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of his company or the group. A conflict of interest, actual or potential, may arise where, directly or indirectly,

- (a) the senior Manager or the employee of the company engages in a business, relationship or activity with anyone who is party to a transaction with his company;
- (b) he 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,
- (c) an independent judgement of the company's best interest cannot be exercised,
- (d) he accepts 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, distributor of or has other business dealings with his company.

Every such person 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 and place it before the MD / CEO and / or the board of directors / executive committee 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 any such person 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.

18. Money Laundering and Product Diversion Avoidance

Certain types of activity should trigger consideration of whether the Company is being used to help launder money or divert products:

- Orders or purchases that are inconsistent with a customer's normal business;
- Requests to make or accept payments in cash;
- Unusually complex deal structures;

Deal or payment structures that appear to have no reasonable relationship to the underlying business transaction;

- Unusually favorable payment terms;
- Requests to make payments to, or accept payments from, third parties;

- Requests to make payments to, or accept payments from, a country where the entity with which Sagar Tourist Resorts is dealing does not do business;
- Excessive customer focus on shipment and title transfer terms for cross-border transactions; or
- Requests to ship product to a country different from the country where the related customer payments originate.

19. Securities transactions and confidential information

An employee of the company 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 company 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.

20. Reporting concerns

Every employee of the company 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 any other Sagar Tourist Resorts company.

- i) All Board Members and Senior Management Personnel and employees shall be subject to any internal or external investigation of possible violations of this code.

The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

- ii) Penalty for breach of this code by Senior Management Personnel/employees shall be determined by the Chairman. In case of breach of this code by the Whole-time Directors and/or Part-time Directors, the same shall be examined by the Board.
- iii) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

21. Waiver and Amendments of the code

No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board members and by Chairman in case of Senior Management Personnel

The provisions of this code can be amended by the Board of Directors of the Company from time to time.

22. Insertion of the code in website

As required by LODR and any amendments thereto shall be posted on the website of the Company.
