

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

PREAMBLE

This Code shall be called "The Code of Conduct for Board of Directors and Senior Management" of Ashiana Housing Limited (the "Company" or "AHL"). This code is a guide to professional conduct to ensure that the Board of Directors, and Senior Management shall act within the bounds of the authority conferred upon them. The Code is intended to maintain the high standards of transparency, business conduct, ethics, and values of the company.

The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with the Stock Exchanges where securities of the Company are listed.

2. DEFINITIONS

"**Board of Directors**" shall mean the Board of Directors of the Company.

"**Company**" shall mean Ashiana Housing Limited.

"**Relative**" shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014 as reproduced in Annexure-I hereto.

"**Senior Management Personnel**" shall mean officers/personnel of the listed entity who are members of its core management team (Executive Team), excluding the Board of Directors, and normally this shall comprise all members of the management one level below the Managing Director/Whole Time Director (including Chief Executive Officer/Manager in case they are not part of the Board of Directors), and shall specifically include Company Secretary, and Chief Financial Officer.

APPLICABILITY:

This Code is applicable to the Directors, and Senior Management Personnel of the Company.

CONDUCT SPECIFICATIONS

1. Honesty & Integrity:

- a) All Directors and Senior Management Personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity, and fairness. All Directors and Senior

Management Personnel shall act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgment to be subordinated and in the best interest of the Company and the shareholders.

- b) All Directors, and Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfil their fiduciary obligations, and comply with the policy guidelines of the Company as stipulated under various statutes.
- c) Directors and Senior Management Personnel shall not engage in activities that are dishonest or lacking in integrity including issuing untrue, misleading, deceptive, or fraudulent statements regarding the Company's products and services.
- d) Directors and Senior Management Personnel should commit themselves effectively to their responsibilities

2. Conflict of Interest:

- a) Directors, and Senior Management Personnel of the Company shall not enter into any transactions, which are, or likely to be in conflict with interest of the Company save exceptional circumstances where prior approval of the Board would be required.
- b) Directors and the Senior Management Personnel should disclose to the Board of Directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- c) Directors and Senior Management Personnel shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information, or position.
- d) All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
- e) If the Director or Senior Management Personnel fails to make a disclosure as required herein, the Board of Directors on becoming aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, can repudiate the transaction apart from taking other disciplinary action.

3. Compliance with Laws Rules & Regulations:

Directors and Senior Management Personnel are required to comply with all applicable laws, rules, and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical

behaviour, Directors and Senior Management Personnel shall report to the Board of Directors any possible violation of law, rules, regulation of this Code.

4. Code for Independent Directors

(In terms of requirements of Schedule IV of the Companies Act, 2013)

I. Guidelines of professional conduct:

An independent director shall:

- 1) uphold ethical standards of integrity and probity.
- 2) act objectively and constructively while exercising his duties.
- 3) exercise his responsibilities in a bona fide manner in the interest of the company.
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making.
- 5) not allow any extraneous considerations that will vitiate his exercise of objective of independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- 7) refrain from any action that would lead to loss of his independence.
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly.
- 9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, and standards of conduct.
- 2) bring an objective view in the evaluation of the performance of board and management.
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders.
- 6) balance the conflicting interest of the stakeholders.
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel, and senior management.
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

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) 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.
- 7) keep themselves well informed about the company and the external environment in which it operates.
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- 9) 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.
- 10) 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.
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders, and its employees.
- 13) 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.

IV. Manner of appointment:

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience, and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent

director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.

- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out-
 - (a) the term of appointment.
 - (b) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than three months from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management.
- 2) All the independent directors of the company shall strive to be present at such meeting.
- 3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole.
 - (b) assess the quality, quantity, and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director