

TULIP STAR HOTELS LIMITED

CODE OF CONDUCT (AMENDED ON MAY 31, 2011) **FOR DIRECTORS AND SENIOR MANAGEMENT**

(As approved by the Board of Directors at its Meeting held on May 31, 2011)

This Code of Ethic (“Code”) shall be called "The Code of Conduct for Board Members and Key Managerial Employees” of Tulip Star Hotels Limited (“the Company”).

Tulip Star Hotels Ltd. is committed to conducting its business in accordance with the applicable law, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, Officer and employee is expected to comply with the letter and spirit of this code.

The purpose of the ‘Code’ is to conduct the business of the Company in accordance with the applicable laws, regulations, terms of the Listing Agreement and to reflect and affirm the commitment of the Board and Key Managerial Employees towards the Philosophy on Corporate Governance.

There are certain clauses of the Code, which are meant for Directors only such as attending meetings of the Board and Committee thereof. The Specified employees need to ignore such clauses.

The ‘Code’ shall come into force with effect from May 31, 2011.

DEFINITIONS & INTERPRETATIONS:

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them as under :-

"Board Members" shall mean the members on the Board of Directors of the Company or any Committee thereof.

“Key Managerial Employees” shall mean and include the Chief Operating Officer and All Departmental/ Functional Heads of various functions of the Company (by whatever name and expression they are called).

“Relative” shall mean a ‘relative’ as defined under Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956.

In this ‘Code’ words importing masculine shall include feminine and words importing singular shall include the plural and vice versa.

APPLICABILITY:

This 'Code' shall be applicable to the following persons:

- a. All members of the Board of Directors of the Company
- b. Key Managerial Employees

GUIDELINES FOR CONDUCT

Each Director and Specified Employees seek to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such Director and Specified employee reasonably believes to be not opposed to the best interests of the Company. A Director and Specified employee should seek to also:

- Make reasonable efforts to attend Board and Committee meetings;
- dedicate time and attention to the Company;
- comply with all applicable laws, regulations, confidentiality obligations and corporate policies of the Company; and
- be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.

CORPORATE BUSINESS OPPORTUNITIES

In carrying out their duties and responsibilities, Directors and Specified employees should avoid:

- appropriating **corporate business opportunities** for themselves that are discovered through the use of Company property or information or their position as Directors and Specified employees;
- using Company property or information, or their position as Director and Specified employees, for personal gain; and
- competing with the Company.

A corporate business opportunity is an opportunity:

- which is in the Company's line of business or proposed expansion or diversification,
- which the Company is financially able to undertake and
- which may be of interest to the Company.

A Director and Specified employee, who learns of such a corporate business opportunity and who wishes to avail of, it should disclose such opportunity to the Company's Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in such opportunity, then, and only then, may the Director and Specified employee avail of it, provided that the Director and Specified employee has not wrongfully utilized the Company's resources in order to acquire such opportunity.

CONFLICTS OF INTEREST

Each Director and Specified employee should endeavor to avoid having his or her private interests interfere with:

- the interests of the Company or
- his or her ability to perform his or her duties and responsibilities objectively and effectively.

- they should avoid receiving, or permitting members of their immediate family to receive, improper personal benefits from the Company, including loans from or guarantees of obligations by the Company, except as may be provided in their employment contract.

- they should make a full disclosure to the entire Board of any transaction or relationship that such a Director and Specified employee reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

COMPANY PROPERTY

In carrying out their duties and responsibilities, Directors and Specified employees should endeavor to ensure that management is causing the Company's assets, proprietary information and resources to be used by the Company and its employees only for legitimate business purposes of the Company. This includes but is not limited to Company properties, assets, software application, financial data, strategies, trade secrets, corporate information and other Company rights.

CONFIDENTIAL INFORMATION

Director and Specified employees should maintain the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any Director and Specified employees or anyone other than the Company. These obligations apply not only during a Director's and Specified employee's term, but thereafter as well.

FAIR DEALING

In carrying out their duties and responsibilities, Director and Specified employees should endeavor to deal fairly, and should promote fair dealing by the Company, its employees and agents, with customers, suppliers and employees.

Director and Specified employees should not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

COMPLIANCE WITH LAWS AND REGULATIONS

In carrying out their duties and responsibilities, Directors and Specified employees should comply, and endeavor to ensure that the management is causing the Company to comply, with applicable laws, rules and regulations. In addition, if any Director and Specified employee becomes aware of any information that he or she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or another Director and Specified employee, then such Director and Specified employee should bring such information to the attention of the Chairman of the Audit Committee.

INSIDER TRADING

Director and Specified employees should observe all applicable laws and regulations including the Company policies and Codes as applicable to them with respect to the purchase and sale of the Company's securities.

It is the responsibility of each Director and Specified employee to become familiar with and understand these laws, regulations, policies and codes and should seek further explanations and advice concerning their interpretation, if required.

Any waiver of or amendments to the Company's policies or Codes may be made only by the Company's Board of Directors and will be disclosed promptly as required by applicable laws and regulations including the rules of any exchange on which the Company's securities are listed or traded.

Director and Specified employees should direct questions regarding the application or interpretation of these guidelines to the Company Secretary/Compliance Officer.

ENCOURAGING THE REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR

Director and Specified employees should endeavor to ensure that management is causing the Company to promote ethical behavior and to encourage employees to report evidence of illegal or unethical behavior to appropriate Company personnel.

Director and Specified employees should endeavor to ensure that the Company will not allow retaliation against any employee who makes a good faith report about a possible violation of the Company's Code of Conduct.

EMPLOYEES

The Director and Specified employee should respect each and every employee of the Company, treat each of them in a fair and equitable manner; respect their privacy and not to share/disclose their personal information without their prior consent; maintain non-discriminatory approach and refrain from harassing employees, making sexual advancements, coercion, threat by virtue of his/her position with the Company.

SHAREHOLDERS

The Director and Specified employee should ensure to protect shareholders interest by ensuring maintenance of accurate and complete records by avoiding false misleading or artificial entries in the Books of accounts.

VIOLATION OF THE CODE

Every Director and specified employees shall ensure Compliance of the Code. Every Director and Specified employees must cooperate in any internal or external investigation of possible violations of the Code. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such violation, is prohibited.

Actual violations of law, this Code or other Company policies and procedures, should be promptly reported to the Chairman of the Board or the Chairman of the Audit Committee, or any other person appointed for this purpose.

The Company will take appropriate action against any Director and Specified employees whose activities are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators.

WAIVER AND AMENDMENTS OF THE CASE

We are committed to continuously reviewing and updating our policies and procedure. Therefore, this Code is subject to modification. Any amendment/inclusion or waiver of any provisions of this Code must be approved by the Company's Board of Directors and promptly disclosed in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

CERTIFICATION

Each of the Directors, Specified employees and every other person to whom this Code is made applicable, shall file with Company Secretary of the Company, or any other person appointed for this purpose, a certificate addressed to the Executive Director of the Company, by the 10th April every year, confirming his/her compliance with the provisions of this Code.

ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members and Specified employees shall acknowledge the receipt of this Code or any modifications (s) thereto.

I Accept

Name:

Designation:

Date: