



IL&S Transportation Networks Ltd.

IL&S TRANSPORTATION NETWORKS LIMITED

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING IN SECURITIES BY
INSIDERS**

Code of Conduct to Regulate, Monitor and Report Trading in Securities by Insiders

Introduction:

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (the “**1992 Regulations**”) have been repealed and have been replaced by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the “**2015 Regulation**”). In accordance with the stipulations of the 1992 Regulations, the Company had framed its ‘Code of Conduct’. The Company is required to ensure that its ‘Code of Conduct’ is compliant with the new Regulations. For ease of reference, 9(1) of the 2015 Regulations, pursuant to which the Company derives this obligation, is reproduced herein below:

“The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner

Objective:

In terms of the 2015 Regulation, it is mandatory for every listed company to formulate a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the 2015 Regulations

CODE OF CONDUCT

- (a) This Code of Conduct shall be called “**IL&FS TRANSPORTATION NETWORKS’s Code of Conduct to regulate, monitor and report trading in securities by Insiders**” (“Code”)
- (b) The Code shall be adopted by the Board of Directors at their meeting scheduled on May 15, 2015 and shall come into force the same day
- (c) The Code shall be applicable to all Directors and ‘Designated Employees/Designated Persons’ of the Company

I. Definitions:

- (a) “**Compliance Officer**” means the Company Secretary of the Company unless otherwise notified by Board of Directors of the Company

(b) “**Connected Person**” means-

(i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established -

(a) an immediate relative of connected persons specified in clause (b)(i) above; or

(b) a holding company or associate company or subsidiary company of the Company; or its Designated Employees

(c) an intermediary as specified in Section 12 of the Securities and Exchange Board of India Act or an employee or director thereof; or

(d) an investment company to the Company, trustee company to the Company, asset management company of the Company or an employee or director of any of the said companies; or

(e) an official of a stock exchange or of clearing house or corporation; or

(f) a member of the board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or an employee thereof; or

(g) a member of the board of directors or an employee, of a public financial institution as defined in Section 2 (72) of the Companies Act, 2013; or

(h) an official or an employee of a self-regulatory organization recognized or authorized by the Securities and Exchange Board of India; or

(i) a banker of the Company and its employees; or

(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent of the holding or interest;

(c) “**Designated Employee**” shall include the Managing Director and Executive Director, other employees in the grade of Senior Manager and above and all employees in the Finance, Treasury, Bidding & Marketing, Investor Relations, Legal and Secretarial Functions of the Company its subsidiaries and associates

(d) “**Designated Person**” shall include all connected persons other than Designated Employees

- (e) **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis;
- (f) **“Immediate Relative”** means spouse of a person, and includes parents, siblings, and children of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
- (g) **“Insider”** means any person who is:
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information;
- (h) **“Securities”** means all instruments defined as such in the Securities Contracts (Regulations) Act, 1956 (42 of 1956) or any modification thereof with the exception of :
- (i) Government Securities
 - (ii) Money market and other pure debt instruments other than listed corporate debt
 - (iii) Units of mutual fund schemes
 - (iv) NSCs, Kisan Vikas Patras or other post office savings schemes
- (i) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities of the Company, and "trade" shall be construed accordingly ;
- (j) **“Trading day”** means a day on which the recognized stock exchanges are open for trading
- (k) **“Unpublished Price Sensitive Information”** 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 and shall, ordinarily include but not be restricted to, information relating to the following:
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) material events in accordance with the listing agreement including information regarding the **winning of any new Project or the Company being declared as the successful bidder for any project;**

II. IDENTIFICATION, PRESERVATION AND COMMUNICATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- (1) Insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information (UPSI) and shall not communicate, provide or allow access to any UPSI relating to a Company to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations
- (2) No Insider shall pass on any information to any person directly or indirectly by way of making a recommendation for the purchase or sale of the securities of the Company. Insiders shall not use UPSI to buy or sell securities of the Company, whether for their own account or their immediate relative's account
- (3) UPSI is to be handled on a "need to know" basis. Thus, UPSI should be disclosed only to those persons within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information
- (4) All files containing confidential information of the Company and/ or its subsidiaries & associates shall be kept secure by the Insider
- (5) All reasonable measures must be taken to ensure that UPSI is adequately secured while held by users and in course of communication. The following shall be observed as minimum prudent practice:
 - (a) Documents containing UPSI shall not be left unattended in a manner permitting access, reading or copying by unauthorized persons; persons working outside secure areas shall place such documents in closed storage whenever these are left unattended
 - (b) Access to personal computers and laptops shall be restricted by use of personalized password and other measures to prevent unauthorised access
 - (c) Documents containing confidential information shall only be conveyed to persons who need such information in the ordinary course of business. Confidential information by electronic transmission may only be conveyed :
 - (i) to the unique address of the addressee
 - (ii) through the official address and using the official communication facilities provided by the Company

(6) Chinese Walls:

“Chinese Walls” refer to arrangements that effectively prevent the use of UPSI in the possession of those on one side of the Wall from influencing the decisions or conduct of those on the other side of the Wall

“Inside Areas” shall be those in which Designated Persons are likely to get access to UPSI during the course of their work assignments

“Public Areas” shall be the areas other than the Inside Areas wherein there is a possibility of misuse of UPSI

However, Designated Employees/Designated Persons in these areas are subject to the general principles governing confidentiality and the handling and use of UPSI

(7) Identification of Inside Areas and Public Areas :

To prevent the misuse of confidential information the Company has established procedures and processes which separate/demarcate those areas of the Company which routinely have access to confidential information / UPSI, considered “Inside Areas” from other departments providing support services, considered “Public Areas”

The Designated Employees/Designated Persons in Inside Area shall not communicate any UPSI to any one in Public Area

Even on a particular side of the Chinese Wall, material UPSI may not be shared among Designated Employees/Designated Persons, except on a need-to-know basis

In exceptional circumstances Designated Employees/Designated Persons from Public Areas may be brought “over the wall” and given confidential information strictly on “need-to-know basis” under intimation to the Compliance Officer

The Directors and Compliance Officer shall be considered above the Chinese Wall

(8) Crossing the Chinese Wall :

To complete or assist in a particular mandate or assignment of Inside Area of the Chinese Wall, assistance of a Designated Employees/Designated Persons in the Public Area may be required for discussion on or as a part of a team for such mandate or assignment. In such an instance, the Designated Employees/Designated Persons in the Public Area would be considered as having “Crossed the Chinese Wall” and have come on the Inside Area of the Chinese

Wall, only during the duration of the mandate / assignment. Approval of the Head of the concerned business and the Compliance Officer must be obtained to Cross the Chinese Wall and such precautions taken, as may be stipulated. Compliance Officer will maintain the record of such approvals

(9) Responsibilities post Crossing of the Wall:

While any Designated Employees/Designated Persons from the Public Area is in the Inside Area after having crossed the Chinese Wall, he shall not carry out his normal activities in respect of the Company if there is any conflict perceived with the work relating to which he has crossed the wall. Designated Employees/Designated Persons shall be provided with only such information as is reasonably necessary and appropriate for him to accomplish the purpose for which the Chinese Wall is crossed from the Public Area to the Inside Area

III. Compliance Officer:

- (a) The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee
- (b) The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules or issuing notifications for any modifications thereof for the preservation of “Unpublished Price Sensitive Information”, pre-clearing of Directors, Insider and their immediate relative’s request for trading, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board of Directors of the Company
- (c) The Compliance Officer shall place before the Chairman of the Audit Committee, on a quarterly basis reports related to delayed submission or non-submission of the disclosures and any breach under this Code of Conduct for Insider Trading
- (d) The Compliance Officer shall maintain a record of the Designated Employees and Designated Persons and any changes therein
- (e) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the 2015 Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities of the Company are listed
- (f) The Compliance Officer shall assist all the Designated Employees and Designated Persons in addressing any clarification regarding the 2015 Regulations and this Code

(g) The Compliance Officer shall also be responsible for :

- 1) Opening, Closing and Re-opening of the Trading Window
- 2) Pre-clearing trades in securities
- 3) Obtaining necessary declarations
- 4) Granting relaxations from strict application of this Code based on the written explanations
- 5) Monitoring of trades from time to time
- 6) Administration of this Code of Conduct

(h) The Compliance Officer shall also oversee that the Company complies with the disclosure requirements as per the Principle of Fair Disclosure attached to this Code

(i) In order to discharge his functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his function. In the performance of his duties, the Compliance Officer shall have access to all information and documents relating to the securities of the Company

(j) The Compliance Officer shall act as the focal point for dealings with the Securities and Exchange Board of India in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code

IV. Trading Window

All Designated Employees/Designated Persons shall be subject to certain trading restrictions, as enumerated below:

- (a) The Company has designated a “**Trading Window**” being the period during which transactions in the shares of the Company can be effected by the Designated Employees/Designated Persons (hereinafter referred to as “**Trading Window**”) for trading in the Company’s securities;
- (b) The time for commencement of closing of Trading Window shall be decided by the Compliance Officer in consultation with the Managing Director and shall be intimated to all designated employees /officers
- (c) The Trading Window shall remain **closed** from the date of Notice given to Stock Exchange for convening the meeting of the Board of Directors of the Company to consider following items::
 - (i) Declaration of Financial results (quarterly, half-yearly and annual);
 - (ii) Declaration of dividends (interim and final);
 - (iii) Changes in capital structure;

- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) Material events in accordance with the listing agreement.

However, in respect of declaration of financial results, the Trading Window shall remain closed for a period of 15 days prior to the date on which quarterly or annual standalone/consolidated financial results, as the case may be, are declared

- (d) The **Trading Window** shall be **opened 48 hours** after the information referred to in Clause (b) is made public, unless otherwise intimated by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information becomes generally available
- (e) The Designated Employees/Designated Persons shall not trade in the Company's securities during the period when the **Trading Window** is **closed**
- (f) All the Designated Employees/Designated Persons shall conduct all their dealings in the securities of the Company only in a valid **Trading Window** and shall not undertake any transaction involving the purchase or sale of the Company's securities during the period when Trading Window is **Closed** or during any other period as may be specified by the Company from time to time
- (g) In case of ESOPs, exercise of options may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed
- (h) The trading window shall also be applicable to persons having contractual or fiduciary relation with the Company which may be assisting or advising the Company i.e. Statutory Auditors, Internal Auditors, Tax Auditors, Secretarial Auditors or any other entity in such capacity from time to time may be identified by the Compliance Officer for compliance with trading window restrictions

V. Pre-Clearance of Trades:

All Designated Employees/Designated Persons who intend to deal in the securities of the Company in excess of ₹ 5,00,000/- in a calendar quarter shall get the transactions pre-cleared in the manner enumerated below:

- a. an application in the prescribed form (**Annexure 1**) shall be made to the Compliance Officer indicating the estimated number of Securities that such person intends to deal in, and such other information as may be prescribed by the Company and should obtain the pre-clearance of the Compliance Officer;

- b. The Managing Director or in his / her absence, the Executive Director shall be responsible to approve the trades of the Compliance Officer in the securities of the Company
- c. before the deal is executed, the Designated Employees/Designated Persons shall execute an undertaking in favour of the Company incorporating inter-alia, the following clauses, as may be applicable:
 - (i) the concerned Designated Employees/Designated Person does not have any access or has not received '**Unpublished Price Sensitive Information**' upto the date of signing the undertaking;
 - (ii) in case the concerned Designated Employees/Designated Person has access to or receives '**Unpublished Price Sensitive Information**' after the signing of this undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his/her position and that he/she shall completely refrain from dealing in the securities of the Company till such time such information becomes public ;
 - (iii) he/she has not contravened the instant Code as amended by the Company from time to time; and
 - (iv) he/she has made full and true disclosure in the matter.

In granting a pre-clearance, the Compliance Officer shall also have regard to whether any of the aforesaid declarations is reasonably capable of being rendered inaccurate

- d. No Designated Employees/Designated Person shall apply for pre-clearance of any proposed trade if such Designated Employees/Designated Person is in possession of unpublished price sensitive information

The Board of Directors, shall as soon as practicable after the date on which this Code takes effect, stipulate formats for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with the 2015 Regulations

VI. Period for completing the transaction

All Designated Employees/Designated Person of the Company and their immediate relatives who have sought pre-clearance shall execute their orders in respect of the Securities of the Company within seven trading days after pre-clearance approval is

received. The date on which the order is executed shall be intimated to the Compliance Officer in the prescribed format. If the order is not executed within seven trading days after the approval is given, the concerned Designated Employees/Designated Person must pre-clear the transaction again

All Designated Employees/Designated Person who having obtained pre-clearance for dealing in the securities of the Company have refrained from or been prevented from doing so within the period of 7 trading days shall provide reasons for the same to the Compliance Officer in the format prescribed (**Annexure -2**) within fifteen days of the expiry of the validity period of the preclearance

VII. Holding Period

All Designated Employees/Designated Person who buy or sell any number of shares of the Company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction. The Compliance Officer may, however, grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the 2015 Regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India for credit to the Investor Protection and Education Fund administered by the Securities and Exchange Board of India under the Securities and Exchange Board of India Act

VIII. Maintenance of Records of Disclosure

The Compliance Officer shall maintain records of all the declarations in the appropriate forms given by the Designated Employees/Designated Person for a minimum period of five years

IX. Disclosure & reporting requirements for transactions in securities:

The disclosures to be made by any Designated Employees/Designated Person shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account.

(A) Initial Disclosures from Key Managerial Personnel, Directors' & Promoter:

1. Within 30 days of the Code taking effect, the Compliance Officer shall seek and obtain from the Promoter of the Company, key managerial personnel and the

Directors their respective holding of securities of the Company, in accordance with the stipulations under the 2015 Regulations

2. Every person on appointment as a key managerial personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter.

(B) Continual Disclosures from Key Managerial Personnel, Directors' & Promoter:

1. Every Promoter, employee in insider category and Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees in the format prescribed (**Annexure – 3**)
2. The Company shall notify the particulars of such trading to the Stock Exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information
3. Disclosure of the incremental transactions after any disclosure as above, shall be made when the transactions effected after the prior disclosure cross the threshold limit specified in the 2015 Regulations

(C) Disclosures by other connected persons

The Company may also at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company in and at such frequency in order to monitor compliance with the 2015 Regulations

(D) Other Disclosures from Designated Employees

Without prejudice to anything contained in this Code:

- (a) Every Designated Persons/Directors shall submit particulars of his Immediate Relatives & their holdings in Securities of the Company in the specified format (**Annexure - 4**) shall be furnished to the Compliance Officer as of the date of joining the Company within one month of the date of joining and shall also notify promptly any change therein

- (b) The annual Statement of Holdings in Securities (**Annexure-4**) shall be prepared as of March 31st every year and shall be submitted on or before April 15 of every calendar year
- (c) In the event of separation from the services of the Company, Designated Persons/Directors shall submit particulars of transaction in securities upto the date of separation and a statement of holding as of that date
- (d) Reporting requirements applicable to Designated Persons/Directors in respect of holding and transactions in securities shall apply equally to Immediate Relatives and shall be the responsibility of the concerned employee

XI. Trading plans

An Insider may formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Such trading plan shall:

- (a) not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the plan;
- (b) not entail trading for the period between the 20th trading day prior to the last day of any financial period for which results are required to be announced by the Company and the 2nd trading day after the disclosure of such financial results;
- (c) entail trading for a period of not less than twelve months;
- (d) not entail overlap of any period for which another trading plan is already in existence;
- (e) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected;
- (f) not entail trading in securities for market abuse

The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the 2015 Regulations. The Compliance Officer may seek such express undertaking as may be necessary to enable assessment and to approve and monitor the implementation of the plan

The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the Insider at the time of

formulation of the plan has not become generally available at the time of the commencement of implementation. In such circumstances the Insider shall make a disclosure to that effect to the Compliance Officer, atleast three days ahead of the commencement of the Trading Plan, and the Compliance Officer shall confirm commencement of the Trading Plan to be deferred until such UPSI becomes generally available information

Upon approval of the trading plan, the Compliance Officer shall notify the plan to the Stock Exchanges on which the securities are listed

XII. Amendment

Any amendments to the Code shall be approved by the Board of Directors and shall be promptly intimated to the Stock Exchanges where the securities are listed

XIII. Penalty

- (a) Any Designated Person/Director who trades in securities or communicates any UPSI or counsels any person trading in securities, in contravention of this Code of Conduct may be penalised and appropriate action may be taken by the Company
- (b) Employees/Directors of the Company who violate the Code of Conduct may also be subject to disciplinary action by the Company, which may include wage freeze, suspension etc.
- (c) Whenever a violation of the Regulations by a Designated Person or Director is identified, the Board of Directors shall inform the Board promptly

XIV. Clarifications

For all queries concerning the Code, the Directors, Employees and Insiders may please contact the Compliance Officer

XV Corporate Disclosure Practices

The Company has formulated a code of practices and procedures for fair disclosure of UPSI that it would follow in order to adhere to each of the principles set out in the Regulations. The same is enclosed as **Annexure A**

SCHEDULE A

[See sub-regulation (1) of regulation 8]

Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

1. The Company shall promptly disclose to the public all Unpublished Price Sensitive Information (“UPSI”) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available
2. The Company shall follow uniform and universal dissemination of UPSI to avoid selective disclosure
3. The Compliance Officer of the Company shall act as a Chief Investor Relations Officer to deal with the dissemination of information and disclosure of UPSI
4. The Company shall ensure prompt disclosure of UPSI, in the event of any UPSI getting disclosed selectively, inadvertently or otherwise to make such information generally available by publishing the same on its website www.itnlindia.com
5. The Company shall make appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities
6. The Company shall ensure that information shared with analysts and research personnel is not UPSI
7. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made
8. The Company shall handle all UPSI on a need-to-know basis

The Code shall be effective May 15, 2015