

CODE OF CONDUCT

I Preamble :

This Code of Conduct (“the Code”) shall be called “The Code of Conduct for Board Members and Senior Management Personnel of IL&FS Transportation Networks Limited (ITNL) and its Subsidiaries” (hereinafter referred to as “the Company”)

The Code is in alignment with the Company’s Vision and Values to achieve the Mission & Objectives and aims at enhancing the ethical and transparent process in managing the affairs of the Company

II Applicability :

The Code shall come into force with effect from January 29, 2010 i.e. the date of adoption by the Code by the Board of Directors of the Company and shall be applicable to all the (a) Board Members of the Company, (b) employees of the Company and (c) all the contractual employees of the Company (hereinafter referred to as “Covered Parties”):

III Commitments :

Covered Parties shall, in all matters related to the Company, act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- (1) Shall act in accordance with the highest standards of personal and professional integrity, honesty, good faith, diligence and responsiveness, quality, academic responsibility and ethical conduct
- (2) Shall act in utmost good faith and fulfil the fiduciary obligations without allowing their independence of judgment to be compromised
- (3) Every Director who is in any way, whether directly or indirectly, concerned or has financial interest in any business dealings concerning the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors and shall not participate in the discussion or vote in the Board’s proceedings. Other Senior Management Personnel shall make such disclosure to the Chairman / Managing Director prior to such business dealing.
- (4) Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence the discretionary decision to be made by the Board Members / Management

- (5) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company
- (6) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail of such opportunity
- (7) Shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him
- (8) Shall not commit any offence involving moral turpitude
- (9) Shall exercise powers conferred upon him for achieving business goals of the Company in a fair and honest manner with reasonable discretion and after weighing of the consequences of such use
- (10) Shall respect the confidentiality of any proprietary information accessed during the course of discharge of duties and ensure that such information is not used for personal gain
- (11) Shall act on the business principles of equity and justice, confidential interest of client and ultimate goal of the Company
- (12) Shall commit to observe all laws of the land, rules and regulations and shall avoid any conduct which may be considered illegal under the same
- (13) Shall not trade, directly or indirectly for shares, securities and commodities of the Company considering the 'price sensitive information' which they may have direct access / influence and exposure by virtue of their fiduciary position or office of profit
- (14) Shall not act upon any confidential information relating to clients especially in share, securities and commodities other than in their official capacity in the ordinary course of business
- (15) Shall not commit verbal or physical conduct of a sexual nature to anyone by virtue of their office position

IV Gifts, Donations & Entertainment :

Covered Parties shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours

for the conduct of its business. However, the Board Members and Senior Management may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events

V Conflict of Interest :

Covered Parties must always act in the best interests of the Company and should avoid any situation where their personal interests conflict or could conflict with their obligations toward the Company. They must not, directly or through any members of their families, relatives or persons living with them or with whom they are associated, or in any other manner:

- (1) Have any financial interest that could have a negative impact on the performance of their duties, or derive any financial benefit from any contract between the company and a third party, where they are in a position to influence the decisions that are taken regarding that contract; or
- (2) Attempt to influence any decision of the Company concerning any matter with a view to derive any direct or indirect personal benefit.
- (3) For the purpose of this clause :
 - “Conflict of Interest” shall mean the interests or benefits of one person or entity conflicting with the interests or benefits of the Company”
 - “Relative” shall mean and include ‘relatives’ as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956
 - If a related party transaction is unavoidable, it must be fully disclosed to the Board of Directors. Also any dealings with a related party must be conducted in a manner such that no preferential treatment is given to such party

VI Transparency in Conduct of Business :

Covered Persons shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes.

VII Confidentiality of Information :

Covered Parties shall ensure and take all reasonable measures to protect the confidentiality of non-public information about the Company, its business, customers and other materially significant information obtained or created in connection with any activities with the Company and to prevent unauthorised

disclosure of such information unless required by applicable laws or regulations or legal or regulatory process

VIII Prevention of Insider Trading :

Covered parties shall not derive any benefit or counsel or assist others to derive any benefit, from access to and possession of information about the Company or group or its clients or suppliers that is not in the public domain and, thus, constitutes unpublished price-sensitive insider information. Such insider information might include (without limitation) the following:

- Acquisition and divestiture of businesses
- Financial information such as profits, earnings and dividends
- Announcement of the Company and or its subsidiaries/associates/group companies as successful bidders for any projects in India or abroad
- Restructuring Plans including raising of finances
- Execution of JV/Shareholders and supply/delivery Agreements

Covered Parties shall also comply with the Code of Conduct for Prevention of Insider Trading laid down in conformity with The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

IX Compliance of Law :

Covered Parties in their business conduct, shall comply with all applicable laws, rules and regulations, in letter and spirit, in all the territories in which they operate

X Disclosure of Information :

Covered Parties shall endeavour to provide full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with or submits to the regulators and in other public communications made by the Company. As good governance practice they shall safeguard the confidentiality of all information received by them by virtue of their position

XI Work Environment Free Of Harassment And Discrimination :

The Company is committed to ensuring that the Covered Parties are treated with fairness and dignity. Accordingly, Covered Parties shall refrain from indulging in any discriminatory practice based on race, caste, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis

XII Client And Supplier Relationships :

The Company's prosperity is founded on client satisfaction. The Company expects Covered Parties to preserve the quality of its client relations by maintaining business relationships that are based on integrity, fairness and

mutual respect. Similarly, Covered Parties are expected to choose suppliers of the Company on the basis of quality, reliability, price, utility and performance or service. Suppliers are to be treated justly, fairly and honestly

XIII Protection of Assets :

Covered Parties shall protect the Company's assets including physical assets, information and intellectual proprietary rights and shall not use the same for personal gain and by maintaining highest standards of security, they should protect intellectual property rights of all assets whether in electronic form or otherwise

XIV Occupational Health And Safety :

Covered Parties must abide by the Company's standards in safety matters, do their part to maintain a healthy and safe work environment and take necessary steps to ensure their own safety and the safety of others

XV Other Directorships :

The Directors should disclose their engagements, either as Director or in any other capacity to the Company in accordance with the provisions of the Companies Act, 1956

XVI Annual Compliance Reporting :

In terms of Clause 49 of the Listing Agreement, the Board of Directors and Senior Management Personnel shall affirm compliance of this Code within 30 days of the close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director or a Senior Management Personnel leaves the Company any time during a financial year, he shall send a communication to the Company Secretary affirming compliance of the Code till the date of his association with the Company

XVII Amendments, Modification and Waiver to the Code :

(a) Amendment

The provisions of this Code can be amended / modified by the Board of Directors of the Company from time to time and all such amendments / modifications shall take effect from the date stated therein

(b) Definition of Waiver

"Waiver" is defined as a material departure from a provision of the Code

(c) Manner for Requesting Waivers

The Board of Directors generally will not grant waivers to the Code. Covered Parties seeking waiver must make full written disclosure of the particular situation to the Board and the waiver, if granted, must be approved in writing by the Chairman of the Board and promptly disclosed

XVIII Placement of the Code on the Website of the Company:

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be hosted on the website of the Company

XIX Enforcement of Code of Conduct :

Each Board Member shall be accountable for complying with this Code

XX Consequences of Non-Compliance of This Code :

In case of breach of this Code by anyone, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary

XXI Acknowledgement of receipt of the Code :

Covered Parties shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code

XXII Financial reporting and records:

The Company's responsibilities to its stockholders and investing public require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the company's auditors and other authorised persons and government agencies. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law. There shall be no willful omissions of any Company transactions from the books and records, no advance income recognition and no hidden bank accounts and funds. Any willful material misrepresentation of and/or misinformation of 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. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely manner

XXII Reporting Violations:

(a) Questions and Concerns

Covered Persons should bring any questions regarding the Code to the attention of the Compliance Officer when determining the best course of action in a given situation

(b) Responsibility to Report Violations of the Code and Law

The Covered Persons should promptly report any actual or apparent violations of this Code. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law

(c) Protection of Covered Persons

Covered Persons are expected to promptly contact the Compliance Officer if he or she is of the belief that he or she has observed illegal or unethical behaviour by any employee, officer, or director, or by anyone purporting to be acting on Company's behalf

The Company will maintain the anonymity of the individual making such a report; to prevent retaliation or discrimination of any kind against anyone who reasonably believes there has been possible illegal or unethical conduct and reports these concerns in good faith

However, disciplinary action would be taken against a Covered Person who makes a report claiming illegal or unethical conduct, knowing such a report to be false

(d) Investigations

Covered Persons are not permitted to carry out their own investigation, but are required to cooperate fully with any investigation made by the Company or its representatives