

IL&FS TRANSPORTATION NETWORKS LIMITED

Code of Conduct for Prevention of Insider Trading

This Code is framed under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended.

This Code is adopted by the Board of Directors at its meeting held on January 29, 2010 in line with the aforesaid Regulations and amendments in the same from time to time.

1. Definitions

- 1.1 “Designated employee” shall include the Managing Director and Executive Directors of the Company, all officers at the level of manager and higher including the, Chief Executives, Sr. Vice Presidents, Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, Sr. Managers and all employees in the Finance, Treasury, Bidding & Marketing, Legal and Secretarial Divisions of the Company.
- 1.2 “Officer” means any Director, Manager or Company Secretary or any person in accordance with whose advise or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and shall include an Auditor of the Company
- 1.3 “Dependent Family Members” means spouse, parents, minor children of the designated employees or the Officer and includes any other member of the family wholly or mainly dependent upon them for support and maintenance
- 1.4 “Price Sensitive Information” means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of securities of the Company;

Explanation:

The following shall be deemed to be price sensitive information:

- (a) Periodical financial results of the Company;
- (b) Intended declaration of dividends (both interim and final);
- (c) Issue of securities or buy-back of securities;
- (d) Any major expansion plans or execution of new projects;
- (e) Amalgamation, mergers or takeovers;
- (f) Disposal of the whole or substantial part of the Undertaking;
- (g) Winning of any new Project or the Company being declared as the successful bidder in any project;
- (h) Any significant changes in the policies, plans or operations of the Company.

1.5 “Dealing/Trading in Securities” means an act of subscribing, buying or agreeing to subscribe, buy, sell or deal in securities of the Company

2. **Compliance Officer**

- 2.1 Compliance Officer means any senior officer appointed by the Company who is mainly responsible for setting forth policy, procedures, monitoring adherence to the rules for preservation of price sensitive information, implementation of this Code within the Company under the overall supervision of the Board of Directors of the Company, pre clearing of trades by designated employees and their dependents and dissemination of information to the stock exchanges and media. The Company has appointed Mr. Krishna Ghag, Company Secretary as the Compliance Officer.
- 2.2 The Compliance Officer shall maintain record of such Designated Employees and any changes made in the list of Designated Employees.
- 2.3 The Compliance Officer shall in consultation with the Managing Director specify the period for closure of Trading Window
- 2.4 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended and the Company’s Code of Conduct.

3. **Preservation of “Price Sensitive Information”**

- 3.1 All Directors/employees shall maintain confidentiality of all Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

3.2 All Price Sensitive Information should be handled on a “need to know” basis, i.e. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.

3.3 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

4 Prohibition to Buy/Sell securities of the Company based on Unpublished Price Sensitive Information

4.1 All Directors/Employees, while in possession of any Unpublished Price Sensitive Information pertaining to the Company, shall not:

- Buy/ Sell securities of the Company, either on their own behalf or on behalf of any other person
- Communicate or counsel or procure any Unpublished Price Sensitive Information to/from any person

5. Prevention of misuse of “Price Sensitive Information”

5.1 All Directors, Officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:

5.2 Trading window

5.2.1 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

5.2.2 Unless otherwise specified by the Compliance Officer, the Trading Window shall be, inter alia, closed for the following purposes:

- (a) Declaration of Financial results (quarterly, half-yearly and annually)
- (b) Declaration of dividends (interim and final)
- (c) Issue of securities by way of public / rights/ bonus etc
- (d) Any major expansion plans or execution of new projects
- (e) Amalgamation, mergers, takeovers and buy-back
- (f) Disposal of whole or substantially the whole of the Company’s Undertaking
- (g) Winning of any new Project or the Company being declared as the successful bidder in any project;
- (h) Any changes in policies, plans or operations of the Company

- 5.2.3 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
- 5.2.4 The Trading Window shall be open 24 hours after the information referred to in para 5.2.3 is made public.
- 5.2.5 All Directors / Officers / Designated employees of the Company shall conduct all their dealings in the securities of the Company only when Trading Window is open and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the Trading Window is closed, as referred to in para 5.3. or during any other period as may be specified by the Company from time to time.
- 5.2.6 In case of ESOPs, exercise of option 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 the trading window is closed.

6 Pre-clearance of Trades

- 6.1 All Directors / Officers / Designated employees of the Company and their dependents, who intend to deal in the securities of the Company above the threshold limit of the value of Rs 5 lakhs or 25,000 in number or 1% of the total shareholding or voting rights of the Company, whichever is lower, should pre-clear the transactions as per the pre-dealing procedure described hereunder.
- 6.2 An application may be made in the Form IV in this regard, to the Compliance Officer indicating the estimated number of securities that the Directors/Officers/Designated Employee and their dependents intend to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
- 6.3 An Undertaking in Form V shall be executed in favour of the Company by all Directors/Officers/Designated employees of the Company and their dependents, incorporating, inter alia, the following clauses, as may be applicable:

- (a) That the Director / Officer/ Designated employee and their dependents do not have any access or has not received “Price Sensitive Information” upto the time of signing the Undertaking.
- (b) That in case the Director / Officer/ Designated employee and their dependents has access to or receives “Price Sensitive Information” after the signing of the Undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) That he/she has not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time.
- (d) That he/ she has made a full and true disclosure in the matter.

7. Other restrictions

7.1 All Directors / Officers / Designated employees and their dependents shall execute their order in respect of securities of the Company within one week after the pre-clearance approval is given. If the order is not executed within one week after such approval, the Director/Officer/Designated employees/their dependents must pre-clear the transaction again.

7.2 All Directors / Officers / Designated employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers / designated employees shall also not take positions in derivatives transactions in the shares of the Company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

7.3 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer in consultation with the Managing Director after recording in writing his / her reasons in this regard.

8. Disclosure requirements

8.1 All Directors / Designated employees of the Company shall be required to forward following details of their securities transactions with respect to the Company, including the statement of dependents, to the Compliance Officer:

- (a) Number of shares or voting rights held and positions taken in derivatives by such persons and his dependents, within 2 working days of becoming Director/ Officer of the Company in Form I
 - (b) Any change in shareholding, if such change exceeds Rs. 5,00,000 in value, 25,000 in number or 1% of the total shareholding of the Company, whichever is lower, within 2 working days of the change in Form II
 - (c) Annual statement of all holdings in securities as at March 31 every year in Form III.

- 8.2 The Compliance Officer shall maintain records of all statements/declarations in the appropriate form given by Directors / Designated employees for a minimum period of 3 years.

- 8.3 The Compliance Officer shall place before the Managing Director or a Committee, if any, appointed by the Company, on a monthly basis all details of dealing in securities by Directors/ Designated employees of the Company and the accompanying documents that such persons have executed under the pre-dealing procedure as envisaged in this Code.

- 9. Penalty for contravention of Code of Conduct**
 - 9.1 Any Director/Employee who trades in securities or communicates any information for trading in securities, in contravention of this Code of Conduct is liable to be penalised and appropriate action may be taken by the Company.
 - 9.2 Any Directors/Employee of the Company who violates the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension and ineligible for future participation in employee stock option plans.
 - 9.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

- 10. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992**
 - 10.1 In case it is observed by the Company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

Code of Corporate Disclosure Practices for Prevention of Insider Trading

1. Corporate Disclosure Policy

- 1.1 To ensure timely and adequate disclosure of Price Sensitive Information, the following norms shall be followed:

2. Prompt disclosure of Price Sensitive Information

- 2.1 Price Sensitive Information shall be given to stock exchanges and disseminated on a continuous and immediate basis.
- 2.2 The Company may also consider ways of supplementing information released to stock exchanges by improving investor access to their public announcements.

3. Overseeing and coordinating disclosure

- 3.1 The Company shall designate a Senior Official (such as Compliance Officer) to oversee corporate disclosure.
- 3.2 This Official shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-coordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.
- 3.3 Information disclosure / dissemination may normally be approved in advance by the Official designated for the purpose.
- 3.4 If information is accidentally disclosed without prior approval, the person responsible may inform the designated officer immediately, even if the information is not considered price sensitive.

4. Responding to market rumours

- 4.1 The Company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumours by exchanges.
- 4.2 The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

- 4.3 The Employees/Directors of the Company shall promptly direct any queries or requests for verification of market rumours received from stock exchanges or from the press or media or from any other source to the Compliance Officer/ official designated for corporate disclosure
- 4.4 The Compliance Officer/ official designated for corporate disclosure as the case may be shall on receipt of requests as aforesaid, consult the Managing Director and respond to the same without any delay.
- 4.5 The Compliance Officer/ official designated for corporate disclosure as the case may be shall be also responsible for deciding in consultation with the Managing Director as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.
- 4.6 All the requests/queries received shall be documented and as far as practicable, the Compliance Officer/ official designated for corporate disclosure as the case may be shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Compliance Officer/ official designated for corporate disclosure as the case may be unless the Managing Director approves the same.

5. Timely reporting of shareholdings / ownership and changes in ownership

- 5.1 Disclosure of shareholdings / ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the Listing Agreement shall be made in a timely and adequate manner.

6. Disclosure / dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

- 6.1 The Company shall follow the guidelines given hereunder while dealing with analysts and institutional investors:

(i) Only Public information to be provided

The Company shall provide only public information to the analyst / research persons / large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

(ii) Recording of discussion

In order to avoid misquoting or misrepresentation, it is desirable that at least two company representatives are present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.

(iii) Handling of unanticipated questions

The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

(iv) Simultaneous release of Information

When the Company organizes meetings with analysts, it shall make a press release or post relevant information on its website after every such meet. The Company may also consider live web casting of analyst meets.

7. Medium of disclosure / dissemination

- (i) Disclosure / dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- (ii) The Company shall ensure that disclosure to stock exchanges is made promptly.
- (iii) The Company may also facilitate disclosure through the use of its dedicated Internet website.
- (iv) The Company websites may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
- (v) The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the company website.

8. Dissemination by stock exchanges

- (i) The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.
- (ii) Information furnished by the Company under continuous disclosure requirements, should be published on the website of the Exchange instantly.
- (iii) Stock exchanges should make immediate arrangement for display of the information furnished by the companies instantly on the stock exchange website.