



**CODE OF CONDUCT FOR THE
BOARD OF DIRECTORS AND SENIOR
MANAGEMENT**

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

1. APPLICABILITY:

This Code of Conduct for the Board of Directors and Senior Management (the "Code") shall be applicable to each member of the Board of Directors of IL&FS Engineering and Construction Limited (the "Company" and each such member, a "Director"), functional heads of the Company, or such other employees of the Company who are employed in the Company at the level of General Manager and above (i.e. Level 10 and above) (hereinafter referred to as "Senior Management").

This Policy will come into force with effect from the day immediately following the day on which the shares of the Company are admitted for trading on either of the Bombay Stock Exchange Limited ("BSE") or the National Stock Exchange of India Limited

("NSE").

2. OBJECTIVE :

The Code has been drafted in accordance with the provisions of Clause 49 of the Listing Agreement to be entered into by the Company with the BSE and the NSE to :

- a. set standards of corporate governance by complying with laws, rules and regulations applicable to the Company and applicable policies and procedures adopted by the Company and to fulfill the responsibilities to stakeholders.
- b. set and implement high standards of transparency, integrity, accountability and corporate social responsibility in all dealings.

3. THE CODE :

The Director and Senior Management will always act in the best interests of the Company and in accordance with the authority conferred on him or her and shall, without prejudice to the foregoing, always:

A. Honest and Ethical Conduct

- (i) Act with the utmost care, skill and diligence and in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at Company sponsored business and social events, or at any other place where the Directors and Senior Management represent the Company.
- (ii) Act with utmost good faith and fulfill his or her fiduciary obligations without allowing his or her independence of judgment to be compromised.

B. Regulatory Compliances

- (i) Comply with any applicable laws, rules, regulations, approvals, press notes, orders, writs, injunctions, directives, judgments or decrees issued by any government or any of its ministries, departments, secretariats, agencies or any legislative body, court and tribunal ("Applicable Law").
- (ii) Keep up-to-date, his/her knowledge of compliances required under Applicable Law.

C. Conflict of Interest

Avoid "conflict of interest" with the Company. A conflict of interest exists where the interest of a Director or member of the Senior Management directly or through any members of their families, relatives or persons living with them or with whom they are associated conflict with that of the Company.

Without prejudice to the generality of the foregoing provision, conflict of interest arises, in the following circumstances:

- (i) Any relationship of employment, agency or consultancy with any supplier, customer or competitor of the Company.
- (ii) When a Director or member of the Senior Management has interests that may make it difficult to perform his or her work objectively or effectively.
- (iii) Any outside business activity that detracts from the ability of a Director or member of the Senior Management, to devote appropriate time and attention to his or her responsibilities with the Company.

- (iv) The receipt of non-nominal gifts, excessive entertainment or other personal benefits either by himself / herself or for his / her family as a result of his / her position in the Company.
- (v) Being directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company.

Prior written approval from the Board of Directors (with the relevant Director being disqualified from voting and excluded from the quorum) is required if any of the above circumstances arise / are anticipated to arise.

D. Corporate Opportunities

- (i) Not exploit directly or indirectly for his/her personal gain, opportunities that are discovered through the use of the Company's property (including intellectual property), information or position, without the specific prior written approval of the Board of Directors.
- (ii) Not divert directly or indirectly to his / her own advantage any business opportunity that the Company is pursuing or an opportunity that the Company may be pursuing in the near future if the Director or member of the Senior Management has knowledge of such opportunity, without the specific prior written approval of the Board of Directors.
- (iii) Not compete directly or indirectly with any business of the Company or with any business venture that the Company proposes to undertake, without the specific prior written approval of the Board of Directors.
- (iv) Not receive any undue personal gifts or favours from third persons for work done by the Company and not to bind the Company in respect of any obligation without the specific prior written approval of the Board of Directors.

E. Use and Protection of Company's Assets

- (i) Protect the Company's assets and properties, records and systems, including intellectual property and ensure their efficient use.
- (ii) Ensure the use of the Company's property for legitimate business purposes.

F. Confidential Information

- (i) Maintain the confidentiality of sensitive information of the Company and its business, its subsidiaries or that of any stakeholders, to whom the Company has a duty to maintain confidentiality except when disclosure is authorized or legally mandated. Confidential information includes all information not in the public domain that might be of use to the Company's competitors or any information concerning the company's business to which a Director or a member of the Senior Management has access or which is in his/her possession by virtue of the position held by him/her in the Company ("Confidential Information")
- (ii) Not use Confidential Information for his/her own advantage or profit.

G. Fair Dealing

Deal fairly and honestly with the stakeholders of the Company, including the Company's shareholders, creditors, lenders, suppliers, customers and employees.

H. Disclosure of Information

Disclose the necessary information to the Company and the Board of Directors at regular intervals in respect of declarations required to be made under Applicable Law , including the Companies Act, 1956 as amended, details of related parties and details of any material financial and commercial transactions where a conflict of interest is likely.

I. Compliance with the "Code of Conduct for Prevention of Insider Trading"

Comply with the provisions of the Code of Conduct for Prevention of Insider Trading of the Company at all times.

J. Meetings

- (i) Endeavour to attend and actively participate in all the meetings of the Company, the Board of Directors or a Committee of the Board of Directors that he/she may be required to attend, as well as general meetings of the members of the Company.
- (ii) Not participate in any meeting or in any decision or vote on any matter in which he is interested under Applicable Law, including the Companies Act, 1956, as amended.

K. To act as a Trustee

- (i) At all times exercise his/her powers for the purposes for they were conferred and for the benefit and prosperity of the Company.
- (ii) Discharge his/her fiduciary duty in a fair and impartial manner.

4. VIOLATIONS OF THE CODE :

Every Director and member of the Senior Management shall ensure compliance with the Code must cooperate in any internal or external investigations of alleged 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 this Code or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Actual violations of this Code should be promptly reported to the Vice Chairman or Chairman or any other person appointed for this purpose.

The Company will take appropriate action against any Director member or the Senior Management whose actions are found to violate the Code, after giving him/her a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities/ regulators and enforcement agencies.

5. WAIVERS AND AMENDMENTS OF THE CODE :

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modifications. Any amendment / inclusion or wavier of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed, if required pursuant to Applicable Laws.

6. CERTIFICATION :

Each of the Directors and members of the Senior Management shall file with the Company Secretary of the Company, or any other person appointed for this purpose, a certificate addressed to the Vice Chairman or Chairman, by the 30th of April of every year, confirming his/her compliance with the provisions of this Code. The Annual Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer

If any Director or member of the Senior Management leaves the Company any time during a financial year, he shall send a terminal certificate to Company Secretary affirming compliance of the Code till the date of his association with the Company.

7. ACKNOWLEDGEMENT OF RECEIPT OF CODE :

Each of the Directors and members of the Senior Management 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.

APPENDIX -1

ANNUAL COMPLIANCE REPORT

I, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT during the financial year ending 31st March, ____.

Signature :

Name :

Designation :

Date :

Place :

Note: To be submitted by the 30th of April each year.