

**CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

1.0 INTRODUCTION

- 1.1 This Code of Conduct ("this Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of ITL FINLEASE AND SECURITIES LIMITED (hereinafter referred to as "the Company").
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code for Board Members and Senior Management Personnel has now been framed specifically in compliance of the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.
- 1.4 It shall come into force with effect from 1st day of January, 2006.

2.0 DEFINITIONS & INTERPRETATION

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

- 2.1 The term "Board Members" shall mean the Directors on the Board of Directors of the Company.
- 2.2 The term "Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise of all members of management one level below the Board of Directors, including all functional/Unit heads and Company Secretary of the Company.
- 2.3 The term "Relative" shall mean 'relative' as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956. (Refer Appendix-I).

3.0 APPLICABILITY

- 3.1 This Code shall be applicable to the following personnel:
- a) All members of the Board of Directors of the Company including Independent Director under the provisions of law.

b) Senior Management Personnel as defined in clause 2.2 of this code.

4.0 PHILOSOPHY OF THE CODE

The Code envisages and expects that the Board Members and Senior Management Personnel must act within the authority conferred upon them, keeping in view the best interests of the Company and observe the following:

- Act in utmost good faith and exercise due care, diligence and integrity in performing their office duties
- Not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in his opinion, is likely to arise.
- Avoid conducting business with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board.
- Disclose and avoid having any personal and/or financial interest in any business dealings concerning the Company
- Avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
- Not hold any positions or jobs or engage in outside businesses or other interests that are prejudicial to the interests of the Company.
- Not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed and permission obtained from the Competent Authority.
- Not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public or the management of the Company and its employees, including the stakeholders.
- Ensure the security of all the confidential information belonging to the Company in every possible manner.
- Not commit any offence involving moral turpitude or opposed to public policy resulting in a conviction.

- Shall ensure that they use the Company's assets, properties, information and intellectual rights for the official purpose only or as per their terms of appointment.
- Shall ensure Compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 and also other Regulation, as and when, they become applicable to them, from time to time.
- Shall not be associated in any way, directly or indirectly, with the competitor of the Company while on Board or employment of the Company.
- Cooperate with the Company in discharging its social responsibility.

5.0 ENFORCEMENT OF CODE OF CONDUCT

The Board Members and Senior Management Personnel shall be accountable for fully complying with this Code.

6.0 AMENDMENTS TO THE CODE

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.

7.0 PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company.

8.0 ANNUAL COMPLIANCE REPORTING

In terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. A performa of Annual Compliance Report is annexed to this Code as Appendix-I. The Annual Compliance Report shall be forwarded to the Company Secretary, in such form and manner as may be prescribed from time to time.

9.0 ACKNOWLEDGEMENT OF RECEIPT OF THIS CODE

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code or any modification(s) thereto, in the acknowledgement form annexed to this Code vide Appendix-II , indicating that they have received , read and understood , and agreed to comply with this Code and forward the same to the Company Secretary.

10. NO RIGHTS CREATED

This code of conduct is a statement of certain fundamental principles, ethics, values , policies and procedures that govern the directors and Senior Management personnel of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

