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# Code Of Conduct For Board & Senior Management

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A Larsen & Toubro  
Group Company



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## Record of Review

<b>Version No.</b>	<b>Created / Modified By</b>	<b>Reviewed By</b>	<b>Authorized By</b>	<b>Approval/ Modification Date</b>
1.1	Corporate Secretarial	CFO	Board of Directors	August 26, 2015
1.2	Corporate Secretarial	CFO	Board of Directors	October 24, 2018



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# Preamble

Larsen & Toubro Infotech Limited ("the Company" or "LTI") is a professionally managed Company and believes that the highest ethical standards are an integral part of its governance culture and vital for effective conduct of its business operations and enhancing stakeholders' value.

This Code of Conduct shall be called "The Code of Conduct for Board & Senior Management" (Hereinafter referred to as the 'Code') of Larsen & Toubro Infotech Limited. The Code envisages that the Board of Directors and the Senior Management must act within the bounds of authority conferred upon them in the best interest of the Company and act with highest standards of professional integrity, transparency and business ethics. This Code is an extension of Company's values and beliefs and reflects its' unflinching commitment to do business the right way, globally. This Code ensures compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Companies Act, 2013 & Rules made thereunder including any subsequent amendments or modifications thereof.

## I. Applicability

This Code is applicable to:

- All the Directors of the Company;
- Senior Management of the Company (as defined under the provisions of Companies Act, 2013 and Listing Regulations, including any subsequent amendments or modifications thereof).

## II. Definitions

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

**"Board"** shall mean the Board of Directors of the Company.

**"Compliance Officer"** shall mean the Company Secretary of the Company.

**"Executive Directors"** shall mean the Managing Directors and the Whole-time Directors.

**"Key Managerial Personnel"** shall mean as defined under Section 2(51) of the Companies Act, 2013.

**"Relative"** shall mean relative as defined under Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014.

**"Senior Management"** shall mean all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.





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## III. Code of Conduct for Directors & Senior Management

All the Directors and Senior Management of the Company shall comply with the duties, roles and responsibilities as mentioned under the Companies Act, 2013, Listing Regulations and under any other applicable law, not limited to and including:

### **1. Corporate Governance in letter & spirit**

Directors and Senior Management shall maintain, uphold and implement best Corporate Governance practices in the Company.

### **2. Honesty & Integrity**

The Directors and Senior Management shall devote their full attention with integrity and honesty to the business interests of the Company and avoid engaging in any such activity that demands compromise with their fiduciary obligations towards the Company and its stakeholders. They shall also ensure integrity in the Company's accounting and financial reporting systems and effective working of internal control mechanism and risk management system.

### **3. Compliance with applicable laws**

The Directors and Senior Management shall comply with all applicable laws, rules, regulations and all policies and procedures adopted by the Company.

They shall ensure effectiveness of compliance process in the Company by periodically reviewing compliance reports as well as steps taken to rectify instances of non-compliances.

### **4. Act within the authority**

The Directors and Senior Management shall ensure proper usage of authority as delegated to them by the Board/ shareholders/ under the Company's rules/ policies/ procedures and applicable laws with a duty to exercise independent judgment, make informed decisions and approve policies in the best interests of the Company and its stakeholders.

They shall also conduct themselves to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information.

### **5. Confidentiality**

Any information relating to Company's business, its customers, suppliers etc., to which a Director or the Senior Management personnel is privy or have access or is in possession of the same, must be considered privileged and confidential and should be held in confidence at all times and should not be disclosed to any third person unless; a) such information is required to be disclosed in accordance with applicable law or b) such personnel is specifically authorised by the Company to do so, or c) such information is part of public domain at the time of disclosure. It is the duty of Directors and the Senior Management to protect confidentiality and introduce effective checks for this purpose. The obligation of confidentiality shall continue even after leaving the directorship / employment of the Company.

The Executive Directors and the Senior Management of the Company shall execute an 'Oath of Secrecy' as provided in **Annexure-A**.



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## **6. Preservation of Company's property/ assets/ information**

The Directors and Senior Management Personnel of the Company shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains. They shall use the Company assets in legitimate way and in the best interest of the Company. They shall be responsible for effective control and appropriate use of all Company's resources entrusted to them in the official discharge of their duty.

## **7. Conflict of Interest**

The Directors and Senior Management should avoid conducting any business directly or indirectly or on behalf of third party, which may be in conflict with or prejudicial to the interests of the Company or leading to any undue gain or advantage to themselves or to their relatives, partners, or associates.

The Directors and the Senior Management should not appropriate the corporate business opportunities for themselves or use corporate information for their personal gain. The Directors should avoid joining the Boards of competitors or taking up advisory or consultative assignments, whether for remuneration or otherwise, in competing organizations other than their existing directorships. It is recommended to properly disclose such engagement to the Board of Directors, prior to joining the competitor or its affiliated organization.

In case there is any situation/ transaction, which may be in conflict of interest, but is unavoidable, the same can be disclosed and approval of the Board (from disinterested members of the Board) can be taken as per the waiver process described in the Code herein.

## **8. Gift/ favours/ donations**

The Directors and Senior Management shall not directly/ indirectly seek, accept or receive any gift, invitation, hospitality, in whatsoever form, from Company's clients, suppliers or any organization or person with whom the Company has any business relationship or can be perceived as being given to influence business decisions, securing an unfair advantage and to obtain or retain business of the Company, except such gifts/favours/invitations given/ accepted as a normal business courtesy or offered during special events/occasions.

## **9. Insider Trading**

The Directors and Senior Management (including their relative as defined in Company's Security Dealing Code) shall not deal or recommend dealing in shares or other securities of the Company or its clients while in possession of material, non-public and price sensitive information of the Company or its clients, as the case may be. They must abide by the Company's Securities Dealing Code, SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendments and modifications thereof and any other policy/rules framed thereunder.





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#### **10. Restriction on non-cash transactions involving Directors**

Company shall not enter into any arrangement by which a Director of the company or any person connected with him can acquire assets for the consideration other than cash, from the Company & vice versa, without prior approval of Company in general meeting.

#### **11. Compensation agreements**

No employee including key managerial personnel or a director or promoter of the Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders.

#### **12. Effective Working of Grievance/Redressal Mechanism**

The Directors and Senior Management shall ensure effective functioning of the whistle blower mechanism, redressal mechanism for sexual harassment cases and any such mechanism requiring intervention of Board or Senior Management, as applicable.

### **IV. Besides standards of conduct as above mentioned, Independent Directors shall also perform following duties as per the Code mentioned in Schedule IV of the Companies Act, 2013:**

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
3. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. Participate constructively and actively in the committees of the Board in which they are Chairpersons or members;
5. Strive to attend the general meetings of the Company;
6. Where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. Keep themselves well informed about the Company and the external environment in which it operates;
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;



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9. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
10. Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
12. Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

V. In addition to the above, the Executive Directors and Senior Management shall also adhere to the Company's Code of Conduct for Employees.

## VI. Breach/Violation

Any existing or perceived breach or violation or deviation of this Code by a Director shall immediately be reported to the Chairman of the Board through Compliance Officer for taking necessary action. The Board shall take appropriate disciplinary action based on facts of the case and the gravity of violation.

In case of breach of the Code by the Senior Management, the same shall be dealt with by the Chairman of the Board in accordance with framework provided in the provisions of Company's Code of Conduct for Employees.

**Clarification:** In case of an Executive Director, where any breach of the Code of conduct culminates into termination of his employment contract with the Company, such Executive Director shall immediately vacate his office of directorship in the Company (including directorships in its subsidiaries, associates and JV entities) under Section 167(1)(h) of the Companies Act, 2013.



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## VII. Amendment & Waiver

Any amendment, variation, substitution or modification of any provision of this Code should be approved by the Company's Board of Directors, however amendments in the Companies Act 2013 or in the Listing Regulations shall be binding even if such amendments are not incorporated.

Request for waiver of any provision under this Code, by Senior Management shall be made to the Chairman of the Board through Compliance Officer, while incase of any waiver in favour of a Board Member shall be approved by the Board of Directors by vote of majority.

## VIII. Interpretation

The Directors and Senior Management can contact the Compliance Officer for assistance in interpreting the requirements of this Code.

## IX. Acknowledgement

The Directors and Senior Management shall acknowledge that they have received, read and understood the Code of Conduct, and agree to comply with the Code in the format enclosed as **Annexure-B**.

## X. Annual Confirmation

Directors and Senior Management shall affirm compliance with this Code on an annual basis in the format enclosed as **Annexure-C**.

## XI. Website:

In compliance with Regulation 46 of the Listing Regulations, this Code and any other amendment/s thereto shall be posted on the website of the Company: [www.ltinfortech.com](http://www.ltinfortech.com)







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Annexure – A

## Oath of Secrecy

### Code of Conduct for Board & Senior Management

[Refer Clause 5 on Confidentiality]

(For the Executive Directors & Senior Management of Larsen & Toubro Infotech Limited)

I hereby solemnly affirm that in terms of the **Code of Conduct for Board and Senior Management of Larsen & Toubro Infotech Limited;**

- a. That I shall not at any time use the confidential information for my personal gain and shall use such information only for the legitimate business purposes of the Company.
- b. That I shall at all times during my directorship / employment with the Company and also thereafter, protect the confidential and proprietary information of the Company which by virtue of my engagement employment is known to me.
- c. That I agree to promptly return all confidential and proprietary information received from the Company and destroy any copies thereof, in whatever medium, in my possession on termination of my employment or if so requested by the Company, furnish a certificate of such destruction to be provided to the Company. In no event shall employee receive or retain any proprietary information after the expiry or termination of the employment contract with the Company.

This affirmation shall not however extend to any information which:

- a. Is already in the public domain; or
- b. Subsequently comes into the public domain; or
- c. Is already in lawful possession /subsequently comes lawfully into my possession; or
- d. Is required to be disclosed by law, regulation or any governmental or competent regulatory authority.

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Name of the Executive Director/ Senior Management

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Signature & Date





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## Annexure – B

To,  
The Compliance Officer  
Larsen & Toubro Infotech Limited  
L&T House, Mumbai

# Acknowledgement Of Receipt Of Code Of Conduct

I have received, read and understood the Company's Code of Conduct for Board and Senior Management (the "Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws applicable to me in the Director/ Senior Management capacity. I agree to comply with all the applicable clauses of the Code.

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Name of the Director/ Senior Management

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Signature & Date





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## Annexure – C

To,  
The Compliance Officer  
Larsen & Toubro Infotech Limited  
L&T House, Mumbai

# Confirmation Of Annual Compliance Of The Company's Code

This is to confirm to you that to the best of my knowledge and belief, I have duly complied with all the applicable clauses of the Company's Code of Conduct for Board and Senior Management (the "Code") for the Financial Year ended 31st March \_\_\_\_\_.

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Name of the Director/ Senior Management

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Signature & Date

