

**3i INFOTECH LIMITED - CODE OF CONDUCT  
FOR  
BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

**1. Introduction**

3i Infotech Limited, Code of conduct for the Board of Directors and Senior Management (Code) is aimed to inculcate the spirit of corporate governance principles in the affairs of the Company. The primary purpose of the Code is to encourage and promote ethical conduct. The adherence to this Code is essential for conducting the business of the Company as per the corporate values of the Company. Any breach of the provisions of the Code shall be met with the disciplinary actions by the Board Governance Committee (BGC) under the Code.

**2. Applicability and effective date**

The Code shall be applicable to all the Directors of the Company and the Employees in the Senior Management of the Company, who are one level below the Executive Directors, including all the functional heads and heads of Business Geographies who report/shall report from time to time to Executive Directors (The Directors and the Senior management Employees are collectively referred as 'Concerned Person(s)'). The Code shall be effective from January 24, 2005.

**3. Compliance Mechanism**

Any complaint regarding the violation of any provisions of the Code shall be made to the Chairman of the BGC, who shall place the same before the BGC. The BGC may dispose of the Complaint as it may deem fit or recommend to the Board for any penal/remedial actions. The Company Secretary shall assist the Chairman of BGC and abide by his instructions in this regard.

#### **4. Honest and ethical conduct**

The honest and ethical conduct shall include the conduct conforming to accepted professional standards exhibiting fairness and transparency. The Concerned Person(s) shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. The dealings of the Concerned Person(s) while managing the affairs of the Company shall be free from any fraud or misuse of the office or any resources of the Company.

#### **5. Conflicts of interest**

The interest shall mean membership, directorship, professional relationship such as a consultant or otherwise, or any affiliation or association, with or in any other entity. It shall also include direct or indirect concern in any past, present or proposed contract, arrangements, or dealings with the Company or its subsidiaries or affiliates. The indirect interest shall include the interest of the relative, partner or any affiliate of the Concerned Person(s). Affiliate shall mean any entity in which the Concerned Person(s) or his relative or affiliate holds a controlling stake, significant office or has a considerable influence over its affairs. The term 'relative' shall mean the persons mentioned under Section 6 of Companies Act, 1956.

A 'conflict of interest' is a situation in which a personal interest of the Concerned Person(s) conflicts with, the interest of the Company or its subsidiaries or affiliates or customers. If in the course of the business, any interest of the Concerned Person(s) detrimentally conflicts with the smooth and profitable conduct of the affairs of the Company or its subsidiaries or affiliates, such Concerned Person(s) shall disclose such conflict to the BGC and take all the necessary steps to resolve or avoid such conflict. No Concerned Person(s) shall make any profit or gain in the event of and as result of such conflict. The Concerned Person(s) shall make adequate and timely disclosure of all their interests to the BGC.

The Concerned Person(s) should attempt to plan their business and personal affairs so as to avoid conflicts to the greatest extent possible, and, in those cases where a conflict cannot be avoided, they should fully disclose the circumstances of the conflict to the BGC and abstain from participation in any decision-making by the Company in connection with any transaction giving rise to the conflict.

## **6. Financial reporting and records**

The Directors shall ensure that the Accounting and Financial records of the Company adhere to the prevailing and applicable accounting standards and generally accepted accounting practices and conventions that are prudent so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company. The Directors shall ensure that there exist adequate internal controls, accounting and audit procedures for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. No Concerned Person(s) shall make or shall cause to be made, any willful misrepresentation in any Accounting and Financial records of the Company.

### **6A. Employment by relatives of the concerned person in the Company or its subsidiaries:**

If a Relative of the Concerned Person, as defined under Section 6 of the Companies Act, 1956, proposes to take employment in the Company or any of its subsidiaries on or after January 17, 2007, the concerned person shall furnish a declaration to this effect to the Company and shall abstain from participation in any decision-making by the Company in connection with his/her relative's employment with the Company or its subsidiaries.

## **7. Gifts and donations**

No Concerned Person(s) under any circumstances shall receive any payments, remuneration, gifts, donations or any benefits or gains which are intended to pass on undue benefits to an outsider and which would have negative impact on the Company's business. Similarly Concerned Person(s) shall not make or offer

to make or abet any payments, remuneration, gifts, and donations or pass on any benefits, gains to any person, which would have the effect of unethical conduct of business.

#### **8. Regulatory compliance**

The Concerned Person(s) shall ensure compliance with all the applicable laws, rules and regulations. The Concerned Person(s) shall ensure that the Company is not in violation of any such laws, rules and regulations and does not incur any financial or other liabilities on account of such violation. In the event of any non-compliance of any such laws, rules and regulations by the Company is observed by any Concerned Person(s), such Concerned Person(s) shall immediately bring it to the notice of the BGC and initiate appropriate remedial measures.

#### **9. Confidentiality**

Any material information bearing significance to the interests of the Company or any subsidiaries or affiliates of the Company in the possession of the Concerned Person(s) shall be kept as confidential. The Concerned Person(s) shall protect and take all the measures and observe prudence to safeguard the confidentiality of the information at all the times till the same becomes a part of public knowledge or documents.

#### **10. Corporate Opportunity**

Except as may be approved by the BGC, Concerned Person(s) are prohibited from (a) taking for themselves personally any opportunities that belong to either Company or are discovered through the use of corporate property, information, or position; (b) using corporate property, information, or position for personal gain; and (c) competing with the Company.

#### **11. Insider trading**

The Concerned Person(s) shall adhere to the provisions of 3i Infotech Code of Conduct for prevention of insider trading. None of the Concerned Person(s) shall participate in any trading or assist or abet the trading of any stock, shares, scrips

or securities in violation of the SEBI (Insider Trading) Regulations 1992 or such other rules and regulations from time to time.

## **12. Reporting the concerns**

If any of the Concerned Person(s) encounters any transaction, development, situation or circumstance in which he perceives apprehension of the imminent threat to the security or safety of assets, business growth of the Company or any material mishap, he shall immediately bring the same to the notice of the BGC. In such an event he shall initiate such steps, as he may deem appropriate to protect the interests of the Company.

## **13. Contribution to the growth and Value addition**

The Concerned Person(s) shall endeavor to enhance the value to the business of the Company and contribute positively to the growth of the Company. They shall contribute to the best of their professional abilities.

## **14. Disclosures:**

The Concerned Person(s) shall provide the accurate and complete disclosures as required under the various applicable laws to the BGC within the prescribed time. The Director shall promptly inform the BGC about any transaction or development that affects his independence as a director of the Company.

## **15. Fair Dealing**

The Concerned Person(s) shall endeavor to deal fairly with the Company's customers, suppliers, competitors, officers, and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. Inappropriate use of proprietary information, misusing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited.

#### **16. Protection and proper use of Company Assets**

The Concerned Person(s) shall perform their duties in a manner that protects the Company's assets and ensures their efficient use. All the assets shall be used for legitimate business purposes.

#### **17. Total Commitment**

The Executive Directors and Employees in Senior Management shall devote their full time and attention to the business interests of the Company. They are prohibited from accepting any assignment, contract or any commercial or activities outside the purview of their employment, which interfere with performance of their duties, while in employment with the Company. They shall not take up any activity that jeopardizes the interests of the Company in any manner.

#### **18. Violation of the Code**

It shall be the endeavor of the Concerned Person(s) to adhere to the Code while acting in their capacity as such. The Concerned Person(s) shall inform the BGC about any violation or intended violation of the provisions of this Code that may come to his knowledge. The BGC will take appropriate disciplinary actions against the Concerned Person(s) who has violated the provisions. The decision of the BGC shall be conclusive in this regard subject to regulatory provisions governing the Company.