



CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

NILA INFRASTRUCTURES LIMITED

CIN: L45201GJ1990PLC013417

Registered Office: First Floor, Sambhaav House,

Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380015

Phone: +91 79 40036817/18, 26870258; Email: secretarial@nilainfra.com

Website: www.nilainfra.com



Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the Board of Directors shall lay down a code of conduct for all members of Board of Directors and Senior Management of the Company and the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

For the purpose of applicability of this Code the term “senior management” shall carry same meaning as may be prescribed / notified under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 as amended from time to time.

Accordingly, this Code of Conduct of Board of Directors and Senior Management personnel has been laid down by the Board of Directors of the Company.

APPLICABILITY OF THE CODE:

All members of the Board of Directors of the Company and the Senior Management personnel shall comply with the Code. As mentioned herein above the term Senior Management shall carry same meaning as may be prescribed / notified under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 as amended from time to time.

All members of the Board of Directors and Senior Management personnel shall affirm compliance with the Code of Conduct of Board of Directors and Senior Management on an annual basis.

The Annual Report shall contain a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management.



This Code shall be applicable from April 01, 2019.

The Company shall disseminate the Code of Conduct of Board of Directors and Senior Management personnel by placing at its website.

I) INTRODUCTION:

This Code of Conduct of Board of Directors and Senior Management personnel help ensure compliance with legal requirements and other standards of business conduct. All employees and trainees of the Company are expected to read and understand this Code, uphold these standards in day-to-day activities, comply with all applicable policies and procedures, and ensure that all agents and contractors are aware of, understand and adhere to these standards.

Nothing in this Code, in any Company policies and procedure or in other related communications (verbal or written) shall constitute and shall not be construed to constitute a contract of employment for a definite term or a guarantee of confirmed employment. The Company is committed to continuously reviewing and updating its policies and procedure. Therefore, this Code supersedes all other such codes, policies, procedures, introductions, practices, rules or written or verbal representations to the extent they are inconsistent. The Company may update this Code from time to time.

Please sign the acknowledgement form at the end of this Code and return the same to the Secretarial Department indicating that you have received, read, understood and agreed to comply with this Code. Each year as part of annual review the Company will ask to sign an acknowledgement indicating continued understanding of and compliance with this Code.

II) COMPLIANCE:

Ethical business conduct is critical to our business. As a director / an employee, your responsibility is to respect and adhere to these practices. Many of these practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant



liability for you, the Company, its directors, officers and other employees.

Violations of law, this Code or other Company policies or procedures can lead to disciplinary action upto and including termination.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting the H. R. Department / Secretarial Department of the Company.

III) RESPONSIBILITIES TO THE COMPANY AND ITS STOCKHOLDERS:

A) STANDARDS OF CONDUCT: -

The Company expects you to exercise good judgment to ensure the safety and welfare of employees, agents and contractors and to maintain a co-operative, efficient, positive harmonious and productive work environment and business organisation. These standards apply while working on our premises, at offsite locations where our business is being conducted, at Company sponsored business and social events, or at any other place where you are a representative of the Company. In addition, on client locations, you may be required to adhere to the clients' code of conduct as well. Anyone who engages in misconduct or whose performance is unsatisfactory may be subject to corrective action, upto and including termination.

i) WORK PLACE FREE OF HARASSMENT:

The Company is committed to providing a work environment free of unlawful harassment. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company towards other employees including supervisors, outside vendors, clients. If you believe that you have been unlawfully harassed, submit a complaint to your own or any other supervisor.



If you have any questions relating to what constitutes discrimination or harassment, or if you have any other questions or concerns pertaining to discrimination or harassment, contact the H. R. Department.

ii) DRUG AND ALCOHOL ABUSE:

To meet our responsibilities to employees, customers and investors, the Company must maintain a healthy and productive work environment. Misusing controlled substances or selling, manufacturing, distributing, processing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

iii) SAFETY IN WORK PLACE:

The safety of people in the work place is a primary concern of the Company. Each of us must comply with all applicable health and safety policies. We maintain compliance with all applicable laws to maintain secure and healthy work surroundings. Questions about these laws and guidelines should be directed to the H.R. Department.

iv) DRESS CODE AND OTHER PERSONAL STANDARDS:

Because each of us is a representative of the Company in the eyes of the public, we must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of the work performed. When visiting or working on a client site, employees will adhere to the dress standards maintained at that particular customer site.

v) EXPENSE CLAIMS:

All business related expense claims must be authorised by the Manager / Superior/Departmental Head of the employee before the incurrence. The reimbursement of expense must be claimed normally within 30 days of incurring the expenditure.

Personal expense will not be reimbursed by the Company. To know the individual business expenditure limit employees should contact the H.R. Department.



B) APPLICABLE LAWS:

All must comply with all applicable laws, regulations, rules and regulatory orders. Each must acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek legal advice on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to discipline by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

C) CONFLICTS OF INTEREST:

Each of us has a responsibility to the Company, our stockholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. The Company is subject to scrutiny from many different individuals & organizations. We should always strive to avoid even the appearance of impropriety.

All employees must avoid situations involving actual or potential conflict of interest. Personal involvement with competitor, supplier, subordinate employee of the Company, which impairs an employee's ability to exercise good judgment on behalf of the Company, creates an actual or potential conflict of interest.

Anyone involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to his or her immediate supervisor, or any other appropriate supervisor, for a determination about whether a potential or actual conflict exist. If an actual or potential conflict is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.



MEANING OF CONFLICT OF INTEREST

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

i) EMPLOYMENT/ OUTSIDE EMPLOYMENT

In consideration of your employment with the Company, you are expected to devote your full attention to the business interests of the Company. You are prohibited from engaging in any activity that interferes with your performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous employment with a company supplier, customer, developer or competitor, or from taking part in any activity that enhances or supports a competitor's position. Additionally, you must disclose to the Company any interest that you have that may conflict with the business of the Company. If you have any questions on this requirement, you should contact your supervisor or the H.R. Department.

ii) BUSINESS INTERESTS:

If you are considering investing in a Company customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to the Company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment, your ability to influence the Company's decisions, your access to confidential information of the Company or of the other Company, and the nature of the relationship between the Company and the other Company.

iii) RELATED PARTIES:

As a general rule, you should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. In case the same is unavoidable you must first approach Secretarial Department for due permission and secondly it must be conducted free of any preferential treatment.



Related party transactions involving the Company's directors or executive officers must be disclosed in proper manner under the requirements of accounting standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act / Rules made thereunder.

Similarly, the employment of relatives of employees/ directors/ executives must not in any way jeopardize Company's working or Company's interest.

iv) OTHER SITUATIONS:

Since other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in one's mind, one should consult the Secretarial Department or H.R. Department.

D) CORPORATE OPPORTUNITIES:

Employees, Officers and Directors may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors.

E) PROTECTING THE COMPANY'S CONFIDENTIAL INFORMATION:

The Company's confidential information is a valuable asset. Every employee, agent and contractor must safeguard it. This responsibility includes not disclosing the Company's confidential information such as information regarding the Company services or business over the inter-net. You are also responsible for properly labeling any and all documentation shared with or correspondence sent to the Company's Secretarial Department or outside counsel as 'Strictly Confidential'. This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Company's policy on maintaining and managing records. This objection



extends to confidential information of third parties, which the Company has rightfully received under Non-disclosure Agreements.

F) OBLIGATIONS UNDER SECURITIES LAWS “INSIDER TRADING”:

In the normal course of business, officers, directors, employees, agents, contractors and consultants of the Company may come in to possession of significant price sensitive information. This information is the property of the Company. You may not profit from it by buying or selling securities yourself. Further you are not to tip others to enable them to profit or for them to profit on your behalf. The purpose of this policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of price sensitive information is contrary to Company policy and applicable laws.

Insider Trading rules are strictly enforced, even in instances when the financial transactions seem small.

For more details, you should read the Company’s “Codes of Fair Disclosure and Conduct” and “Code for Prevention of Insider Trading” pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/ or disciplinary action for Insider Trading violations. You should comply with the Company’s insider trading rules, follow the pre-clearance procedures for trading and trade only during a trading window is open.

G) USE OF COMPANY’S ASSETS:

i) GENERAL:

Protecting the Company’s assets is a key responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not mis-appropriated, loaned to others or sold or donated, without appropriate authorization. All Company employees, agents and contractors are responsible for the proper use of Company’s assets, and must safeguard such assets against loss, damage, misuse or



theft. Employees, agents or contactors who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion. Company equipment and assets are to be used for Company business purposes only.

ii) COMPANY FUNDS:

Every Company employee is personally responsible for all Company funds over which he or she exercises control. Company agents and contractors should not be allowed to exercise control over Company funds. Company Funds must be used only for Company business purpose. Every Company employee, agent and contractor must take reasonable steps to ensure that the Company receives good value for Company Funds spent and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Company employees, agents and contractors must not use Company Funds for any personal purpose.

iii) SOFTWARE:

All software used by employees to conduct business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home or on the road, since doing so may constitute copyright infringement and may expose you and the Company to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, upto and including termination.

iv) ELECTRONIC USAGE:

The purpose of this policy is to make certain that employees utilize electronic communication devices in a legal, ethical and appropriate manner. The policy addresses the Company's responsibilities and concerns regarding the fair and proper use of all electronic communications devices within the organization, including computers, e-mail, connections to the Internet, Intranet, and extranet and any other



public or private networks, voice mail, video conferencing, facsimiles, and telephones. Posting or discussing information concerning the Company's services or business on the internet without the prior written consent of the Company's CFO is prohibited. Any other form of electronic communication used by employees currently or in the future is also intended to be encompassed under this policy. It is not possible to identify every standard and rule applicable to the use of electronic communications devices. Employees are therefore encouraged to use sound judgment whenever using any feature of Company's communications systems.

H) MAINTAINING AND MANAGING RECORDS:

The purpose of this policy is to set forth and convey the Company's business and legal requirements in managing records, including all recorded information regardless of medium or characteristics. Records include paper documents, compact disk, computer hard disks, e-mail, floppy disks, microfiche, microfilm or all other media. The Company is required by applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and the Company and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action upto and including termination of employment or business relationship. All must comply with the provisions of Policy for Documents retention and archival.

I) PAYMENT PRACTICES:

i) ACCOUNTING PRACTICES:

The Company's responsibilities to its stockholders and investing public require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the Company's Auditors and other authorised persons and Government Agencies. False or misleading entries, unrecorded funds or assets or payments without appropriate supporting documentation and approval are strictly



prohibited and violate company policy and the law. There shall be no willful omissions of any Company transaction from the books and records, no advance income recognition and no hidden bank accounts and funds. Any willful material misrepresentation of and/ or misinformation of the financial accounts and reports shall be regarded as a violation of the code apart from inviting appropriate civil or criminal action under the relevant laws. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

ii) POLITICAL CONTRIBUTION:

The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply fully with all applicable laws, rules and regulations regarding political contributions. The Company's funds or assets must not be used for or be contributed to, political campaigns or political practices under any circumstances without the prior approval of the Board of Directors of the Company.

iii) PROHIBITION OF INDUCEMENTS:

Under no circumstances may employees, agents or contractors offer to pay, make payment, promise to pay or issue authorization to pay any money, gift or anything of value to customers, vendors, consultants etc. that is perceived as intended, directly or indirectly to improperly influence any business decision, any act or failure to act, any commitment of fraud or opportunity for the commission of any fraud.

J) DUTIES OF DIRECTORS:

This is in furtherance to compliance with applicable provisions regarding the duties mentioned in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for



Prevention of Insider Trading framed thereunder and other applicable laws. In terms of the provisions of section 166 of the Companies Act, 2013, a Director shall:

1. act in accordance with the articles of the Company;
2. act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
3. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
4. not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
5. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
6. shall not assign his office and any assignment so made shall be void.

Furthermore, in terms of Para III (Duties) of Schedule IV of Companies Act, 2013, the Independent Directors shall:

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;
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 behavior, 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.

Notwithstanding anything contained in the Companies Act, 2013, an independent director or a non-executive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through business processes, and with his consent or connivance or where he had not acted diligently.



IV) RESPONSIBILITIES TO CUSTOMERS AND SUPPLIERS:

A) CUSTOMER RELATIONSHIP:

If your job puts you in contact with any Company customers or potential customers, it is critical for you to remember that you represent the company to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. The Company and its employees have provided services for many years and have built up significant goodwill over the time. This goodwill is one of our most important assets, and the Company employees, agents and contractors must act to pressure and enhance our reputation.

B) GIFTS:

Under no circumstances may employees, agents or contractors accept any offer, payment, promise to pay, or authorization to pay any money, gift or anything of value from customers, vendors, consultants etc. that is perceived as intended, directly, or indirectly, to influence any business decision, any act or failure to act, any commission of any fraud.

Gifts given by the Company to suppliers or customers or received from suppliers or customers should always be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in the Company's books & records.

C) PUBLICATION OF OTHERS:

The Company may subscribe to many publications and help employees to do their jobs better. These include newsletters, reference works, online references services, magazines, books. Copyright law generally protects these works and their unauthorized copying and distribution constitute copyright infringement. You must first obtain the consent of the publisher of a publication before copying publications or significant part of them. Any doubtful copying of publication may be done only under appropriate legal advice.



D) HANDLING THE CONFIDENTIAL INFORMATION OF OTHERS:

The Company has a range of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter in to a business relationship. At other times, we may request that a third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Whatever the situation, we must take special care to handle the confidential information of others responsibly.

E) SELECTING SUPPLIERS:

The Company's suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with the Company, they must be confident that they will be treated lawfully and in an ethical manner. The Company's policy is to purchase supplies based on need, quality, service, price and terms and conditions. Under no circumstances should any Company employee, agent or contractor attempt to coerce suppliers in any way. The confidential information of a supplier is entitled to the same protection as that of any third party and must be received under appropriate non-disclosure agreement. In some cases where the products or services have been designed, fabricated, or developed to our specifications the agreement between the parties may contain restrictions on sales.

F) GOVERNMENT RELATIONS:

It is the Company's policy to comply fully with all applicable laws and regulations governing contact and dealings with Government employees and public officials, and to adhere to high, ethical, moral and legal standards of business conduct. This policy includes strict compliance with applicable laws, rules and regulations.

G) FREE AND FAIR COMPETITION:

Competition laws generally address the following areas: pricing practices (including price discrimination), discounting, terms of sale, credit terms, promotional allowances,



secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competition products, termination and many other practices.

Competition law also governs, usually quite strictly, relationships between the company and its competitors. As a general rule, contacts with competitors should always avoid subjects such as prices or other terms and conditions of sale, customers and suppliers. Employees, agents or contractors of the Company may not knowingly make false or misleading statements regarding its competitors or the products of its competitors, customers or suppliers. Participating with competitors in a trade association or in a standard creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose.

No employee, agent or contractor shall at any time or under any circumstances enter in to an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules as may bonafide purchases from or sales to competitors on non-competitive products, but all such proposals should be reviewed legally in advance. These prohibitions are absolute and strict observance is required. Collusion among competitors is illegal, and the consequences of a violation are severe.

V) WAIVERS:

Waiver of the provision of code to any employee, agent, contractor or Board Members must be approved by CMD, which should be duly notified to Board.

VI) DISCIPLINARY ACTIONS:

The matters covered in this code of business conduct and ethics are of the utmost importance to the Company, its stockholders and its business partners, and are essential to



the Company's ability to conduct its business in accordance with its stated values. The Company expects all its employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action against the employee, agent, contractor or consultant whose actions are found to violate these policies or any policies of the Company. Where laws have been violated, the Company will co-operate fully with the appropriate authorities.

VII) CERTIFICATIONS:

The Directors, Senior Management and the employees to whom the Code is applicable shall every year affirm to the Board of Directors their compliance with the Code in the format attached herewith as **Annexure A**.

VIII) LIMITATION, REVIEW AND RIGHT OF AMENDMENT:

1. In case of any conflict between the provisions of this Code and the SEBI Regulations or the Companies Act, 2013 or any other statutory enactments, the provisions of such Regulations or the Companies Act, 2013 or other statutory enactments, shall prevail over this Code, as the case may be.
2. This Code is formulated taking in view extant provisions of the Act, Rules and the Regulations. In case of any confusion or doubt with respect to any provision of this Code or as and when the Board deems necessary to review this Code or any of its provisions, the Board will take an appropriate decision. Further, this Code is subject to any modification, revision, replacement, variation, deletion, addition or amendment in accordance with the regulatory amendments and guidelines as may be issued / imposed by SEBI or any other competent authority, from time to time.
3. The Board of Directors of the Company can amend or modify this Code.
4. This Code may be amended or modified at the sole discretion of the Board of Directors of the Company at any time for any reasons including to continue complying with applicable laws.



ANNEXURE A

To,
The Board of Directors,
NILA INFRASTRUCTURES LIMITED
First Floor, Sambhaav House,
Chief Justice's Bungalow, Bodakdev,
Ahmedabad – 380015

Sub: Compliance with the Company's Code of Conduct ("Code") for the Financial Year ended on _____

I, _____, state for the captioned period that as a Director / Senior Management Person, I hereby acknowledge that I have received, read and understood the Code. I also understand that it is my duty to consult the Compliance Officer in case of any questions regarding the provisions of the Code. I further understand and agree that as a Director / Senior Management Person, it is my responsibility to promote the compliance of this Code and that:

1. I was aware of the Code applicable during the period;
2. I have understood the provisions, standards and the policies contained in the Code;
3. I have also understood that there could be additional / modified provisions, policies or laws specifically applicable to my duties;
4. I have adhered to the Code in carrying out my duties as employee / Director of the Company during the period.

Signature : _____

Name : _____

Designation : _____

Date : _____