



GVK Power & Infrastructure Limited

Code of Conduct and Ethics

For the Directors & Key Management Personnel

Introduction

This Code of Conduct shall be called “The Code of Conduct and Ethics for the Board Members and Key Management Personnel” of GVK Power & Infrastructure Limited herein after referred to as “the Company.”

This Code is in alignment with the Company’s Vision and values and aims at enhancing ethical and transparent process in managing the affairs of the Company.

It shall come into force with effect from 27th day of February, 2006.

Applicability

This Code shall be applicable to the following Persons:

- a) All Executive Directors
- b) All Non Executive Directors and
- c) All Key Management Personnel (all the levels at and above AGM, DGM, GM, VP, CFO, Director and the Compliance Officer)



1) Preface

The Directors (both executive and non executive directors) and Key Management Personnel are responsible to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies, including such other requirements which are incidental thereto. As Directors and Key Management Personnel of the Company, they have a duty to make decisions and implement policies in the best interests of the Company and its stakeholders. The Board of Directors of the Company is entrusted with the fiduciary responsibility of oversight over the assets and affairs of the Company.

The code of conduct is applicable to:

- i) The Directors (both executive and non executive) and**
- ii) Key Management Personnel**

The Board of Directors of the Company has adopted this Code of Conduct and Ethics as a testimony of its commitment to adhere to the standards of loyalty, honesty, integrity and the avoidance of conflicts of interest.

The rules and principles set forth in this Code are general in nature and the compliance with the Code shall be ensured read with other applicable policies and procedures of the Company. The Directors and Key Management Personnel may contact the Chief Financial Officer or the Compliance Officer for assistance in interpreting the requirements of this Code.

It is hereby clarified that the requirement to comply with this Code does not constitute an express or implied promise of continued employment contract with the Company.

Any amendments to this Code shall be first approved by the Board of Directors and promptly disclosed on the Company's website.



Any queries regarding compliance or non compliance with this Code may be raised in writing with the Chairman of the Board.

2) Legal, Honest and Ethical Conduct

The Directors and Key Management Personnel are required to conduct their duties legally, honestly and ethically, when acting on behalf of the Company or in connection with the Company's business or operations.

They shall

- Act in the best interests of, and fulfill their fiduciary duties to the stakeholders of the Company;
- Act honestly, fairly, ethically, with integrity and loyalty;
- Conduct themselves in a professional, courteous and respectful manner;
- Act in good faith, with responsibility, due care, competence, diligence and independence;
- Act in a manner to enhance and maintain the reputation of the Company;
- Treat their colleagues with dignity and shall not harass any of them in any manner.

3) Compliance with Laws, Rules and Regulations

The policy of the Company is to comply strictly with all laws governing its operations and to conduct its affairs in keeping with the highest moral, legal and ethical standards. Accordingly, the Directors and Key Management Personnel shall respect and obey the laws of the jurisdictions in which the Company operates and comply with all applicable laws, rules, regulations, agreements, guidelines, standards and internal policies, including other requirements incidental thereto. The Company has an Insider Trading Policy, the adherence of which shall be ensured, in letter and spirit. The Directors and Key Management Personnel are expected to have knowledge of laws and regulations affecting their job responsibilities and avoid any involvement in acts known to be illegal, unethical or otherwise improper. Where in doubt, the Directors and Key Management Personnel may seek assistance from the Chief Financial Officer or the Compliance Officer of the Company.



4) Conflict of Interest

The policies and procedures under this code requires that the Directors and Key Management Personnel of the Company shall avoid any activity or association that creates or appears to create a conflict between the personal interests of the Directors and Key Management Personnel and the Company's business interests.

a) Other employment/assignments: The Directors and Key Management Personnel of the Company shall devote themselves exclusively to the business of the organization and shall not accept any other work or assignment for remuneration (part-time or otherwise). The Directors and Key Management Personnel are expected to avoid even the appearance of a conflict of interest even if the activity is non-remunerative.

b) Disclosure of interest by Director: The Directors shall disclose conflicts of interest that directors may have regarding any matters that are placed before the Board, and abstain from discussion and voting on any matter in which the director has or may have a conflict of interest and shall make available to and share with other directors information as may be appropriate to ensure proper conduct and sound operations of the Company.

c) Other directorships: Acceptance of directorship on the Boards of other Companies which compete with the Company amounts to conflict of interest. The Directors shall obtain the prior approval of the Board of Directors before they accept such directorship(s).

d) Related parties: The policies and procedures of the Company expect that the Directors and Key Management Personnel avoid conduct of business of the Company with their relatives or their significantly associated Companies, firms and other businesses. In case of conflicts, disclosure shall be made to the Board of Directors and its approval shall be obtained before proceeding further.

e) Gifts: The Directors and Key Management Personnel of the Company shall not accept any personal gifts that, because of their value or the time at which they are offered, could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. The Directors and Key Management Personnel of the Company shall also avoid offering of gifts or payments or authorization of payments by way of gifts. Gifts on account of celebrations, memorial in nature, business meals, gifts received because of personal relationship and not because of official position, mementos received because of attending widely held gatherings as panelist / speaker and other customary gifts which are not improper and do not in any way, influence the business decisions, are allowed under this policy.



f) Protection and proper use of the Company's Assets: The Directors and Key Management Personnel shall protect the Company's assets and ensure their efficient use. All Company assets should be used for legitimate business purposes. Company's assets should not be used for other than business requirements of the Company. Incidental personal use, if reasonable, does not amount to violations under this Code.

g) Confidentiality of information: The Directors and Key Management Personnel must maintain the confidentiality of information relating to the affairs of the Company acquired in the course of their

service as Directors, until and unless authorized or legally required to disclose such information; and shall not use confidential information and other corporate opportunities for their personal advantage.

h) Others: The conflicts of interest that may arise in any other form which at this point of time may not be practicable to enumerate. In case, any act, transaction or situation raises doubts or questions, the Directors and Key Management Personnel must consult the Chief Financial Officer or the Compliance Officer of the Company.

5) Disclosures standards

As a Listed entity, the Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents that it files with, or submits to, the regulatory authorities, SEBI, Stock Exchanges and in other public communications of the Company.

In support of this commitment, the Directors and Key Management Personnel shall be responsible for establishment and compliance with the disclosure and reporting requirements and internal controls over financial reporting.



6) Competition and Fair Dealing

All Directors and Key Management Personnel are obligated to deal fairly with each other, the Company's associates and with the Company's customers, suppliers, competitors and other third parties. Directors and Key Management Personnel should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. They should not discriminate on the basis of gender, race, nationality, caste and creed.

7) Relationships with Suppliers

The Company deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation. Directors and Key Management Personnel dealing with suppliers should carefully guard their objectivity. Specifically, no Directors and Key Management Personnel should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the supplier's products and prices. Directors and Key Management Personnel can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see "Gifts" above for additional guidelines in this area.

8) Relationships with Competitors

The Company is committed to free and open competition in the marketplace. Directors and Key Management Personnel should avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.



9) Whistle Blower Policy

Complaint and Investigation Procedures for Accounting, Internal Accounting Controls, Fraud, Auditing Matters or others:

All directors, officers and employees of the Company are responsible to report in good faith, questionable accounting/auditing matters, internal accounting controls, financial reporting (Accounting Complaints), any violations, fraudulent/unethical practices, misconduct or such other genuine concerns, which are against the interests of the Company. It is the policy of the Company to treat such complaints seriously and expeditiously.

The reporting, which will be free of retaliation and discrimination, shall be in writing either by way of email or letter. While the policy encourages directors, officers to disclose their names, the reporting may also be made anonymously.

The reporting for other than accounting complaints may be made to the Head of the Department who in turn shall report to the Chairman & Managing Director through the Compliance Officer for corrective action. However, if employee is unwilling or unable to report or complain through the Head of the Department for any specific reason, he may directly report or complain to the Chairman & Managing Director with a copy to the Compliance Officer, by disclosing the reason for doing so. In case of key management personnel (all the levels at and above Director, GM, DGM, CFO and the Compliance Officer), the reporting may be directly made to the Chairman of the Audit Committee. As regards accounting complaints, the reporting shall be made to the Chief Financial Officer, who shall directly report to the Audit Committee for review and investigation under its direction.



10) Policy against Retaliation

The Company strictly prohibits retaliation against any Director and Key Management Personnel or employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

11) Compliance with Code

Any violations of the Code shall be promptly reported to the Compliance Officer.

12) Acknowledgement

The Directors and Key Management Personnel shall read and fully understand this Code of Conduct and Ethics and abide by the policies, procedures and principles contained therein.

Sd/-

G V Krishna Reddy

Chairman &

Managing Director

Sd/-

A Issac George

Chief Financial Officer

Sd/-

P V Rama Seshu

Company Secretary &

Compliance Officer