

VISHAL INFORMATION TECHNOLOGIES LIMITED

VITL CODE OF CONDUCT (CoC) FOR BOARD MEMBERS AND SENIOR MANAGEMENT TEAM

1.PREAMBLE

The object of laying down this Code of Conduct (hereinafter referred to as "Code") for Board Members and Senior Management Team of the Company is to set standards of business conduct and also to comply with the applicable rules of the stock exchanges, where securities of the Company are listed.

All Board Members and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders / stakeholders.

With a view to maintain the high standards that the Company requires, the following rules / Code of Conduct should be observed in all activities of the Board. All Board Members and Senior Management shall affirm compliance with the Code on an annual basis as at the end of each financial year.

This Code shall come into effect from 1st July , 2008. All Board Members and Senior Management shall adhere to all applicable laws, rules and regulations, both in letter and spirit . They must be aware of the regulatory framework in their domain. The Company appoints a Compliance Officer for the purposes of the Code, who will be available to all Board Members and Senior Management to answer questions and to help them comply with the Code.

2. APPLICABILITY

The Code is applicable to the following persons:

- All the members of the Board of Directors of the Company, and
- All the members of the Senior Management Team of the Company.

Senior Management Team shall mean and include:

- Executive Directors,
- All department/ functional heads of different functions of the Company ,
- Vice Presidents / Chief Executive Officer/ Chief Financial Officer

3. PROTECTION OF ASSETS AND CONFIDENTIAL INFORMATION

All Board Members and Senior Management of the Company must protect Company's assets, labour and information and may not use these for personal use, unless approved by the Board. They shall not make improper use of information nor take improper advantage of their position as a Director or Senior Management.

4. HONESTY & INTEGRITY

All Board Members and Senior Management shall conduct their activities with honesty, integrity and fairness, their conduct shall be free from fraud and/or deception and they shall act in good faith, with due care, competence and diligence, by following the accepted professional standard of conduct. They shall ensure that they use of the Company's assets, properties and services for official purpose only or as per the terms of their appointment. They use due care and diligence in performing their duties of office and in exercising their powers attached to that office.

5. CONFLICT OF INTEREST

All Board Members and Senior Management of the Company shall not engage in any material business relationship or activity, which conflict with their duties towards the Company. All Board Members and Senior Management of the Company shall declare information about their relatives (Spouse, children and parents) employed in the Company. They shall recognize that their primary responsibility is to Company's Shareholders as a whole.

In consideration of employment with the Company, Senior Management are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or otherwise in conflict with or prejudicial to the Company. For eg. simultaneous engagement/ employment or directorship with competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.

Each Officer shall inform the Board of any change in events/circumstances/ conditions that may interfere with their ability to perform their duties. Additionally, Officers must disclose to the Company's Board of Directors, any interest that they have that may conflict with the business of the Company.

It is also incumbent upon every Officer to make a full disclosure of any interest which the Officer or Officer's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his or her company.

Every Officer who is required to make a disclosure as mentioned above shall do so, in writing, to his or her immediate superior, who shall forward the information along with comments to the person designated for this purpose by the Managing Director (MD) , who in turn will place it before the MD and/or the board of directors/executive committee appointed by the Board and, upon a decision being taken in the matter, the Officer concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If an Officer fails to make a disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the Officer, the management shall take a serious view of the matter and consider suitable disciplinary action against such Officer.

6. INSIDER TRADING

All Board Members & Senior management shall not derive any benefit either themselves or assist others to derive benefits from the access to and possession of any unpublished price sensitive information about the Company. They shall comply with all the guidelines issued by and shall make necessary disclosures to the SEBI in respect of Insider Training.

7. GIFTS & DONATIONS

All Board Members and other Senior Management shall not accept, offer, receive, promise to pay any gifts, donations, remuneration, hospitality, illegal payments, any benefits from customers, vendors, consultants, etc. of the Company, which are intended, directly or indirectly, to influence any of business decision, of the Company, or for commitment of any fraud, or to practice any deception. Nominal gifts of Commemorative nature, for special events may be accepted but shall be reported to the Board. All Board Members and other Senior Management shall ensure that in their dealing with suppliers, vendors and customers, the Company's interests are never compromised.

8. MEDIA COMMUNICATION

All the communication, to be made by the Board Members and/or by other Senior Management of the Company, on behalf of the Company, with outsiders, including the media, print or electronic, shall be made only by the person so authorized for the purpose. Board Members and Senior Management shall take care that all the confidential information of the Company doesn't pass to outsiders which may be detrimental to the interests of the Company.

9. CONCURRENT EMPLOYMENT:

Executive Directors & Senior Management Personnel of the Company is expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity (unless disclosed to the Board of Directors of the Company) that interferes with their performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the interest of the Company. Our policies prohibit any employee from accepting simultaneous employment with a Company's supplier, customer or competitor, or from taking part in any activity that enhances or supports a competitor's position.

10. WAIVER AND AMENDMENTS OF THE CODE:

The Company shall review and update the policies for the due compliance of the Code and to that extent this Code is subject to modification. Any amendment or waiver of any provisions of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website.

11. NON-COMPLIANCE

Any violation of this code shall be reported to the Chairman of the Board of Directors, and it shall be appropriately looked into and shall be dealt accordingly.

12. AMENDMENT, MODIFICATION AND WAIVER OF CODE

This Code may be reviewed, amended, modified, or waived by the Board of Directors, subject to the disclosure and other provisions of the SEBI, and the rules there under and the applicable rules of the Stock Exchanges.

13. DISCLOSURE

The members of the Board and the Senior Management Personnel shall affirm the compliance with the code on annual basis. The Annual Report of the Company shall carry a declaration to this effect signed by the Managing Director of the company.

Note:

This VITL CoC does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarise themselves with all applicable laws, company policies, procedures and work rules. All JVs could adopt VITL CoC or a joint code of conduct incorporating all elements of the VITL CoC. This version of the VITL CoC supersedes all earlier versions and associated documents and stands effective from July 1, 2008.