

Tourism Finance Corporation of India Limited

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL (UPDATED)

Introduction

The Code (hereinafter referred to as "the Code") has been framed and adopted by Tourism Finance Corporation of India Limited (hereinafter referred to as "the Company") in terms of the requirements stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations").

The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company.

Definitions

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

"Independent Directors" shall mean an Independent Director as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations (as revised from time to time).

"Relative" shall have the same meaning as defined in Companies Act, 2013. (Refer Appendix-I)

"Senior Management Personnel" shall have the same meaning as defined in SEBI (LODR) Regulations, and shall include the Managing Director/ Chief Executive Officer/ Manager, all employees who are three level below (i.e Vice President & above rank) the Chief Executive Officer/Managing Director/Whole-Time Director/Manager, the Chief Financial Officer and Company Secretary of the Company.

In this code words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

Applicability

This Code applies to the Members of Board of Directors (hereinafter referred to as "Board Members) and Senior Management personnel of the Company. The Code shall be posted on the website of the Company.

Section – I Code of Conduct for Board of Directors

A. Code of conduct for Executive/ Non-Independent/ Independent Directors

The Board Members shall observe the highest standards of honesty, fairness, ethical conduct and integrity and shall work to the best of their ability and judgement. The Board Members of the Company:

1. Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
3. Shall not involve them in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest.
4. Shall disclose details regarding conducting business with a relative or with Private Company in which the relative is a member or a public limited company in which a relative holds substantial interest or with a firm in which a relative is a partner.
5. Shall avoid having any personal financial interest in works or contract awarded by the Company.
6. Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
7. Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Managing Director/Whole-Time Directors are expected to devote their full attention to the business interest of the Company.
8. Shall ensure that they use the Company's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.
9. Shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form Company's business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.
10. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage.
11. Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.
12. Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorized otherwise.

13. Shall ensure compliance of the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/ her from his/ her association with the Company.
14. Follow all the guidelines put forth in the Code of Conduct for Prevention of insider Trading.
15. Shall report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.
16. Shall make disclosures relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.
17. Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as also other regulations as may become applicable to them from time to time.

B. Duties/Responsibilities under Companies Act, 2013 for all Directors

In addition to above, all the Director(s) of the Company shall also abide by the following duties pursuant to the applicable provisions under Section 166 of the Companies Act, 2013:

1. The Director shall act in accordance with the articles of the company.
2. The director shall 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. The director shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. The director shall 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. The director shall 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. The director shall not assign his office and any assignment so made shall be void.

C. Code of Conduct under Companies Act, 2013 for Independent Directors

In addition to the duties specified in (A) and (B) above, the independent directors shall also abide by the code for Independent Directors as specified in schedule IV to the Companies Act, 2013:

(i) Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

(ii) Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing

and where necessary recommend removal of executive directors, key managerial personnel and senior management;

- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

(iii) Duties:

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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their 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.

(iv) Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

(v) Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

(vi) Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

(vii) Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(viii) Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Section – II Code of Conduct for Senior Management Personnel (Vice President & above)

The Senior Management Personnel shall observe the highest standards of honesty, fairness, ethical conduct and integrity and shall work to the best of their ability and judgement. The Senior Management Personnel of the Company:

1. Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
3. Shall not involve them in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest.
4. Shall not conduct business with a relative or with Private Company in which the relative is a member or a public limited company in which a relative holds substantial interest or with a firm in which a relative is a partner.
5. Shall avoid having any personal financial interest in works or contract awarded by the Company.
6. Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
7. Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Senior Management Personnel are expected to devote their full attention to the business interest of the Company.
8. Senior Management Personnel shall obtain approval of the Managing Director/ Whole-Time Director prior to accepting Independent/Non-Independent Directorship of any other Company or partnership of a firm.
9. Shall ensure that they use the Company's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.
10. Shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form Company's business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.
11. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage.
12. Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.
13. Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorized otherwise.

14. Shall ensure compliance of the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/ her from his/ her association with the Company.
15. Follow all the guidelines put forth in the Code of Conduct for Prevention of insider Trading.
16. Shall report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.
17. Shall make disclosures relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.
18. Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as also other regulations as may become applicable to them from time to time.

Compliance Officer

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

Waiver and Amendments of the code

No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver. The provisions of this code can be amended by the Board of Directors of the Company from time to time.

Annual compliance reporting

Board Member and Senior Management personnel shall affirm compliance with this Code on an annual basis as at the end of each financial year of the Company (as per Appendix II within 30 days of the close of every financial year).

Acknowledgement of receipt of the code

Each Board Members and Senior Management personnel both present and future shall acknowledge receipt of the Code or any modification(s) thereto, in the acknowledgement form annexed to this Code as Appendix III and forward the same to the Compliance Officer.

Any breach of the aforesaid Code brought to the notice of the Compliance Officer or any member of the Board or Senior Management shall be reported to the Board of Directors of the Company for necessary action.

APPENDIX – I**LIST OF RELATIVES**

1.	Wife	
2.	Father (including step-father)	
3.	Mother (including step-mother)	
4.	Son (including step-son)	
5.	Son's Wife	
6.	Daughter	
7.	Daughter's husband	
8.	Brother (including step-brother)	
9.	Sister (including step-sister)	

Signature :

Name :

Designation :

Date:

Place:

APPENDIX – II

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL**

ANNUAL COMPLIANCE REPORT

I,----- , do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of CODE OF CONDUCT FOR BOARD MEMBERS/SENIOR MANAGEMENT PERSONNEL during the financial year ended March 31, 20....

Signature :

Name :

Designation:

Address:

Date:

Place:

APPENDIX- III

**CODE OF CONDUCT FOR BOARD MEMBERS AND MEMBERS OF THE SENIOR
MANAGEMENT PERSONNEL**

ACKNOWLEDGEMENT FORM

I -----hereby received and read the Company's Code of Conduct for Board Members/Senior Management Personnel. I have understood the provisions and standards contained in the Code of Conduct and agree to comply with the same.

Signature :

Name :

Designation :

Address :

Date:

Place: