

TOURISM FINANCE CORPORATION OF INDIA LIMITED

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1.0 Introduction

1.1 This code of Conduct (“this Code”) shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Tourism Finance Corporation of India Ltd. (hereinafter referred to as “the Company”).

1.2 The subject code has been framed specifically in compliance with the provisions of clause 49 of the listing agreement with stock exchanges.

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

1.4 It shall come into force with effect from 1st day of February, 2006.

2. Definitions & Interpretations:

2.1 The term "Board Members" shall mean Directors on the Board of Directors of the Company.

2.2 The term “Whole-time Director” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.

2.3 The term “Part-time Director” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.

2.4 The term “Relative” shall have the same meaning as defined in Section 6 of the Companies Act, 1956. (Refer Appendix-I)

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

3. Applicability:

3.1 This code shall be applicable to the following persons:

a) All whole-time Director(s) including the Managing Director and Chairman of the Company.

b) All part-time Directors.

c) All General Manager(s)/Chief General Manager (s)/Executive Director(s) of Tourism Finance Corporation of India Ltd. (hereinafter referred to “Senior Management Personnel”).

3.2 The whole-time Directors and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

4.0 Key Requirements

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the company and observe the following code of conduct:

- Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.

- Shall not involve themselves 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 to: (a) Board of Directors in case of Directors (whole-time & part-time) and (b) Chairman in case of Senior Management Personnel for further directions in the matter.

- Shall avoid 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.

- Shall avoid having any personal financial interest in works or contract awarded by the Company.

- 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.

- 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. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Company.

- Shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman as the case may be.

- Shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour of more than modest value from any customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.

- Shall comply with all applicable laws, rules and regulations and any violation thereon may make them personally liable.

- Senior Management Personnel shall obtain approval of the Chairman and Managing Director prior to accepting Directorship of any other Company or partnership of a firm.

- Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of (i) trading in the shares of the Company, (ii) transactions having personal interest and (iii) related party transactions that are required to be made under laws, rules & regulations and Code for prevention of Insider Trading in the Securities of Tourism Finance Corporation of India Ltd..

- Any information concerning the Company's business, its customers, suppliers, etc, which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

- Shall protect the Company's assets, labour and information and may not use these for personal use, unless authorized to do so.

5.0 Enforcement of Code of Conduct

i) Company Secretary shall be the Compliance Officer for the purpose of this code.

ii) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.

iii) Compliance Officer shall report breach of this code, if any, which comes to his notice to the: (a) Board in case of all Board members and (b) Chairman in case of Senior Management Personnel

iv) All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code.

The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

v) Penalty for breach of this code by Senior Management Personnel shall be determined by the Chairman. In case of breach of this code by the Whole-time Directors and/or Part-time Directors, the same shall be examined by the Board.

vi) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

6.0 Waiver and Amendments of the code

6.1 No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board members and by Chairman in case of Senior Management Personnel

6.2 The provisions of this code can be amended by the Board of Directors of the Company from time to time.

7.0 Insertion of the code in website

As required by clause 49 of the listing agreement this code and any amendments thereto shall also be posted on the website of the Company.

8.0 Affirmation of compliance of the code

It terms of clause 49 of the listing agreement all Board members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code. A proforma of Annual Compliance Report is annexed to this Code as Appendix-II. The Annual Compliance Report shall be forwarded to the Compliance Officer of the

Company.

9.0 Acknowledgement of receipt of the code

All Board Members and Senior Management Personnel shall acknowledge the receipt of this code in the acknowledgement form annexed to this Code (Appendix-III) indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer. Upon revision of this code, the Board Members and Senior Management Personnel shall acknowledge and execute an understanding of the Code (Appendix-III) and an agreement to comply. New Directors will sign such a deed (Appendix-III) at the time when their directorship begins.

Appendix I

Extract of Section 6 of the Companies Act, 1956

Meaning of “*relative*”

6. A person shall be deemed to be a relative of another if, and only if,-
- (a) they are members of a Hindu undivided family; or
 - (b) they are husband and wife; or
 - (c) the one is related to the other in the manner indicated in Schedule IA.

Schedule IA

List of Relative

1. Father
2. Mother (including step-mother)
3. Son (including step-son)
4. Son’s wife
5. Daughter (including step-daughter)
6. Father’s father
7. Father’s mother

8. Mother's mother
9. Mother's father
10. Son's son
11. Son's son's wife
12. Son's daughter
13. Son's daughter's husband
14. Daughter's husband
15. Daughter's son
16. Daughter's son's wife
17. Daughter's daughter
18. Daughter's daughter's husband
19. Brother (including step-brother)
20. Brother's wife
21. Sister (including step sister)
22. Sister's husband