INDIAN RAILWAY FINANCE CORPORATION LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

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INDIAN RAILWAY FINANCE CORPORATION LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

1. Introduction

1.1 This Code shall be called "Code of Business Conduct & Ethics for Board Members and Senior Management" of Indian Railway Finance Corporation Ltd.

1.2 This Code is in alignment with Company's Vision and Values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

1.3 The matters covered under this Code are of utmost importance to the Company, its stakeholders and business partners. Further these are essential so that the business is conducted in accordance with the stated values of the Company.

1.4 This Code for Board Members, KMPs and Senior Management has now been framed specifically in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], Companies Act, 2013 and as per the Guidelines of DPE.

1.5 The Company has Conduct, Discipline and Appeal Rules ("CDA Rules"), which govern the conduct of all permanent employees of the Company including Whole-time Directors but excluding Non- Whole time Directors and those governed by the Standing Orders under the Industrial Employment (Standing Orders) Act, 1946. In respect of Whole- time Directors, KMPs and Senior Management below Board level, this Code is to be read in conjunction with the CDA Rules.

1.6 The Code of Business Conduct and Ethics for Board Members and Senior Management is effective from 28.04.2008.

2.0 Definitions and Interpretations:

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

2.2 The term "Whole-time Directors" or "Functional Directors" 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 Directors" shall mean Directors on the Board of

Directors of the Company who are not in whole time employment of the Company and include Independent Directors and Government Nominee Directors.

2.4 The term “Independent Director” shall mean an Independent Director as defined in section 2(47) and Section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, as revised from time to time.

2.5 The term “Key Managerial Personnel (KMP)” shall have the same meaning as defined in Section 2(51) of the Companies Act, 2013 and as revised from time to time.

2.6 The term “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definition Details) Rules, 2014 and as revised from time to time. (Refer **Appendix -I**).

2.7 The term “Senior Management” shall mean the officers and personnel who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity”.

2.8 The term “the Company” shall mean Indian Railway Finance Corporation Ltd.

Note: In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural of vice-versa.

3.0 Applicability

3.1 This code shall be applicable to the following personnel:

a) All whole-time Directors including the Chairman & Managing Directors of the Company.

b) All Part-time Directors (including Independent Directors and Government Nominee Directors) unless specifically exempted from some of the provisions of this Code.

c) Key Managerial Personnel (KMP)

d) Senior Management of the Company.

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

4. Key Requirements:

4.1 Ethical business conduct is critical to a business. Accordingly, the Board Members, KMPs and the Senior Management of the Company are expected to read and understand this Code and uphold these standards in day-to-day activities. They shall act within the authority conferred upon them, keeping the best interest of the Company in view and shall observe the following:

i. Shall act with utmost care, skill and diligence in a fair, reasonable and bonafide manner, maintaining high standards of integrity in all its activities and dealings.

ii. Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their official position.

iii. Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates.

iv. Shall act in an ethical manner, free from fraud or deception and conforming to the accepted professional standards. They shall also fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.

v. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

vi. Comply with communication and other policies of the Company.

vii. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated.

viii. Act in the best interests of, and fulfill their fiduciary obligations to the Company.

ix. Act honestly, fairly, ethically and with integrity.

x. Not to use the Company’s property or position for personal gain.

xi. Not to use any information or opportunity received by them in their capacity as Directors/KMPs/Senior Management in a manner that would be detrimental to the Company’s interests.

xii. Act in a manner to enhance and maintain the reputation of the Company.

xiii. Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise.

xiv. Shall make disclosures to the Board relating to all the material, financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large.

xv. Abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the Board in which they may have a conflict or potential conflict of interest.

xvi. Shall not enter into any contract or arrangement without obtaining the approval of the Audit Committee and/ or the Board and approval by a special resolution in the general meeting wherever required for related party transactions as mentioned in **Appendix - II.**

xvii. Shall avoid any dealing with the Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members / Company.

xviii. Shall avoid having any personal and /or financial interest in any business dealings concerning the Company.

xix. Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interest of the Company.

xx. Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.

xxi. Shall not seek or accept, directly or indirectly, 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, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.

xxii. Shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders.

Provided that nothing specified in this clause shall apply to any statement made or views expressed by the Board Member, KMPs and Senior Management which are purely factual in nature or are made in their official capacity or in due performance of the duties assigned to them.

xxiii. Shall not commit any offence involving moral turpitude.

xxiv. Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service, except when authorized or legally required to disclose such information.

xxv. Not to use confidential information acquired in the course of their service for their personal advantage or for the advantage of any other entity.

xxvi. Help create and maintain a culture of high ethical standards and commitment to compliance.

xxvii. Keep the Board informed in an appropriate and timely manner, any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company.

xxviii. Treat the other members of the Board/KMPs/Senior Management and other persons connected with the Company with respect, dignity, fairness and courtesy.

4.2 **Duties of Directors:**

The Director(s) of the Company:

i. shall act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 as amended from time to time.

ii. 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.

iii. shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

iv. 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.

v. 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.

vi. shall not assign his office and any assignment so made shall be void.

4.3 **Specific Duties of Independent Directors:**

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) 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.

14) 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.

15) 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.

16) refrain from any action that would lead to loss of his independence.

17) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly.

The independent directors of the company shall hold meeting as may be prescribed or as amended from time to time in a financial year, without the presence of non-

independent directors and members of management and all the independent directors shall strive to be present at such meeting

18) Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and subsection (6) of Section 149 of the Companies Act, 2013 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

19) Keep themselves registered under the MCA Independent Director Data Bank and pay its fees as and when required.

4.4 Independent Directors 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.

4.5 Independent Directors - 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
3) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
4) safeguard the interests of all stakeholders, particularly the minority shareholders;

5) balance the conflicting interest of the stakeholders;
6) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

5. Contents of Code

Part I General Moral Imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members, KMPs and Senior Management

This code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART – I

6. General Moral Imperatives

6.1 Contribute to society and human well being

6.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to the health and welfare of others. In addition to a safe environment, human wellbeing includes a safe natural environment.

6.1.2 Therefore, all Board Members, KMPs and Senior Management who are accountable for the professional conduct of the Company, must be alert to, and make others aware of, the legal and a moral responsibility of ensuring a professional environment conducive for the safety and the protection of human life and environment.

6.2 Be honest and trustworthy & practice integrity

6.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

6.2.2 All Board Members, KMPs and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Public Enterprise.

6.3 Be fair and take action not to discriminate

6.3.1 The value of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

6.4 Honour confidentiality

6.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

6.4.2 All Board Members, KMPs and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

6.5 Pledge & Practice

6.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

6.5.2 Work unstintingly for eradication of corruption in all spheres of life.

6.5.3 Remain vigilant and work towards growth and reputation of the Company.

6.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

6.5.5 Do duty conscientiously and without fear or favour.

PART II

7. Specific Professional Responsibilities

7.1. Live the Vision, Mission and Values of the Company – each day

Live the Vision, Mission and Values of Indian Railway Finance Corporation Limited each day which are as under:

Vision

To be India's premier financial services institution for infrastructure across sectors through a whole-of-government approach, while remaining the trusted financial partner of the Ministry of Railways..

Mission

To raise globally competitive capital and deploy it with commercial discipline across railway aligned infrastructure sectors, ensuring sustained stakeholder value through prudent risk management and operational excellence.

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in the Company

7.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work: - Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

7.3 Acquire and maintain professional competence: -
Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

7.4 Compliance with Laws: - The Board Members, KMPs and Senior Management of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

The Board Members, KMPs and Senior Management shall comply with the Board procedures concerning Board Meetings, Agenda, Quarterly Reports, and Resolution by Circulation etc. as per applicable statutory provisions.

They shall also comply with the Government policies as applicable to the Company, along with the *changes* made *therein* from time to time.

7.5 Accept and provide appropriate professional review: - Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of work of theirs.

7.6 Manage personnel and resources to enhance the quality of working life: - Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members, KMPs and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

7.7 Be upright and avoid any inducements: - The Board Members, KMPs and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at time, to influence business for the organization or awarding a contract to an agency, etc.

7.8 Observe Corporate Discipline: - The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

7.9 Conduct in a manner that reflects credit to the Company:- All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behavior has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

7.10 Be accountable to Company's stakeholders :- All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

7.11 Prevention of Insider Trading: - The Board Members, KMPs and Senior Management shall comply with the code of Internal Procedures and conduct for prohibition of Insider Trading in dealing with Securities of the Company, as amended from time to time.

7.12 Identify, mitigate and manage business risks: - It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

7.13 Protect properties of the Company: - The Board Members, KMPs and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART - III

8. Specific Additional Provisions for Board Members, KMPs and Senior Management

8.1 As Board Members, **KMPs and Senior Management:** They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

8.2 As Board Members

8.2.1 Undertake to inform the Chairman and Managing Director / Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events / circumstances / conditions that may interfere with their ability to perform Board / Board Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements of SEBI (LODR) Regulations, 2015, the Guidelines of DPE and the Companies Act, 2013 or rules framed thereunder.

8.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

8.2.2.1 **Related Party Transactions:** Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

8.2.2.2 **Outside Directorship:** Accepting Directorships on the Board of any other Company that competes with the business of the Company.

8.2.2.3 **Consultancy / Business /Employment:** Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties / responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.

8.2.2.4 **Use of Official position for personal gains**: Should not use their official position for personal gains.

8.3 Compliance with the Code of Business Conduct and Ethics

8.3.1 **All Members of the Board, KMPs and Senior Management of Company shall uphold and promote the principles of this code.**

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members, KMPs and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

8.3.2 **Treat violations of this code as inconsistent association with the organization**

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members, KMPs and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

9. Miscellaneous Points

9.1 Corporate Disclosure Practices

The Code of Corporate Disclosure Practices regulates accurate, timely, and understandable disclosure of reports and documents that are filed with or submitted to any outside agency or on the Website or any other Public Communications. Accordingly, Board/Senior Management must ensure that the Company complies with Company's Disclosure Controls and Procedures and Internal Controls for financial reporting. Disclosure of material events and / or information as per Listing Regulations to be disclosed in accordance with Corporate Policy on Materiality for Disclosure of Events to the stock exchanges and other Corporate Disclosure Practices to be disclosed as per applicable laws, rules, regulations, guidelines, or directions from Ministry of Railways.

9.2 Protection of Assets

The Board Members/KMPs/Senior Management shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal advantage or cause detriment to the Company.

9.3 Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

(For e.g. dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of senior management and their relatives etc.)

10. Review, Clarification and Amendments to the Code

10.1 Where to seek clarifications

Any member of Board, KMP's or Senior Management requiring any clarification regarding this code of conduct may contact Chairman & Managing Director/ / Company Secretary / any officer specifically designated by the Board of Directors.

10.2 Review & Amendments

i. The provisions of the Code can be reviewed by the Board of Directors of the Company from time to time.

ii. The Chairman & Managing Director is authorized to carry out minor modifications in this policy and to approve such changes, as may be required in order to comply with the applicable / amended provisions of law or to comply with any direction, circular etc. issued by the Regulator(s); and to settle any issue with respect to interpretation of this policy.

iii. This Code and any amendment/ modification thereto shall be available on the website of the Company i.e., https://irfc.co.in.

11. Annual Compliance Reporting

11.1 All Board Members, KMPs and Senior Management shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman & Managing Director. A Proforma of Annual Compliance Report is at **Appendix-III**. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director /Senior Management Personnel leaves the Company at any time during the financial year, he shall send a communication to the Company Secretary affirming the compliance of the Code.

11.2 The Chairman & Managing Director of the Company and all the Whole- time Directors of the Company shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.

12. Non-Compliance with the 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.

Any waiver to this Code, whether the same is in the interest of the Company, shall be decided by the Board.

Each Board Member/KMPs/Senior Management shall be required to comply with this Code. Any concern regarding the compliance with the same shall be raised with the Compliance officer i.e., Company Secretary.

In case of any breach of this code, by the Board Members/KMPs/Senior Management Personnel, the penalty for the Breach shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

13. Acknowledgement of Receipt of the Code

All Board Members, KMPs and Senior Management shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at **Appendix-IV** and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.

APPENDIX-I

INDIAN RAILWAY FINANCE CORPORATION LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

EXTRACT OF SECTION 2 (77) OF THE COMPANIES ACT, 2013

Definition of "relative" with reference to any person, means anyone who is related to another, if: -

(a) they are members of a Hindu undivided family;
(b) they are husband and wife; or
(c) one person is related to the other in such manner as may be prescribed*:

*LIST OF RELATIVES AS PER RULE 4 OF THE COMPANIES (SPECIFICATION OF DEFINITIONS DETAILS) RULES, 2014

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

APPENDIX-II

INDIAN RAILWAY FINANCE CORPORATION LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

Related party::

"Related Party" - Related Party means a Related Party as defined under:

a) Section 2(76) of the Companies Act, 2013; or
b) Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; or
c) Indian Accounting Standard (IND AS) 24 as notified by the Central Government.

Related Party Transactions

"Related Party transactions" - Related Party transactions means Transactions / Contracts /Arrangement which falls within the purview of:

I. Section 188 of the Companies Act, 2013; or
II. Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; or
III. Indian Accounting Standard (IND AS) 24 as notified by the Central Government.

C.The listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

Material Related Party transactions" mean transactions with a related party, as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

Extract of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

(1) Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to—

(a) sale, purchase or supply of any goods or materials;
(b) selling or otherwise disposing of, or buying, property of any kind;
(c) leasing of property of any kind;
(d) availing or rendering of any services;
(e) appointment of any agent for purchase or sale of goods, materials, services or property;
(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
(g) underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a resolution:

Provided further that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party:

Provided also that nothing contained in the second proviso shall apply to a company in which ninety per cent. or more members, in number, are relatives of promoters or are related parties

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Explanation — In this sub-section —

(a) the expression "office or place of profit" means any office or place—
  (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
  (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(b) the expression "arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

(3), For the purposes of first proviso to sub-section (1) of section 188, except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into:

(a) as contracts or arrangements with respect to clauses (a) to (e) of subsection (1) of section 188, with criteria as mention below-

(i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;

(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;

(iii) leasing of property any kind amounting to ten percent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188;

(iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188;

Explanation - It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of subsection (1) of section 188.

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent. of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation- (1) The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.

APPENDIX-III

INDIAN RAILWAY FINANCE CORPORATION LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

ANNUAL COMPLIANCE REPORT

I,……(name),……..(designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have fully complied with and has not violated any of the provisions of the Code during the year ended 31st March ……..

Signature: _____

Name: _____

Designation: _____

DIN/Employment Number: _____

Telephone No.: _____

Date: _____

Place: _____

APPENDIX-IV

INDIAN RAILWAY FINANCE CORPORATION LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of Indian Railway Finance Corporation Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics for Board Members and Senior Management.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the CPSE or the legal and regulatory requirements applicable to my job, I know I can consult Company Secretary of IRFC knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

I,……(name),……..(designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have fully complied with and has not violated any of the provisions of the Code during the year ended on 31st March.

Signature: _____

Name: _____

Designation: _____

DIN/Employment Number: _____

Telephone No.: _____

Date: _____

Place: _____