

TAMILNADU URBAN FINANCE AND INFRASTRUCTURE
DEVELOPMENT CORPORATION LIMITED

COMPLIANCE POLICY

REGISTERED OFFICE: TUFIDCO-POWERFIN TOWER, NO.490/1-2, ANNA SALAI, NANDANAM, CHENNAI 600 035.

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BACKGROUND

Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) was incorporated under the Companies Act 1956 on 21st March 1990. The Main Object of the Corporation is providing financial assistance and guidance to Local Bodies, Corporations, Boards, Authorities and Parastatal Agencies for the infrastructure developments schemes. TUFIDCO is the nodal agency for implementation of government schemes in the state.

OBJECTIVE

The purpose of the compliance function and compliance policy is to ensure the compliance of the applicable norms of RBI in both letter and spirit in a sustainable manner. The objective is to ensure that the compliance policy adheres to relevant laws, regulations, standard and internal policies that govern its operations

SCOPE AND COVERAGE OF COMPLIANCE FUNCTION

Compliance function shall ensure strict observance of all statutory and regulatory. The requirements as may be applicable to the company under various RBI norms including standards of market conduct and managing conflict of interest.

The purpose of the compliance function is to assist the company in managing its compliance risk which can be defined as "the risk of legal or regulatory sanctions, material financial loss or loss reputation which an NBFC may suffer, as a result of its failure to comply with laws, regulations, rules and codes of conduct, etc. applicable to its activities.

The scope and coverage of compliance function is formulated keeping in view the structure of the business model of the organisation.

RESPONSIBILITY OF THE BOARD AND SENIOR MANAGEMENT

The Board of Directors shall provide the leadership and strategic guidance to the company's management. The company's management shall act in accordance with the supervision, control, and directions by the Board of Directors. The Board of Directors plays a vital role in matters relating to formulation of appropriate policy, its implementation and strategic issues which are crucial for the long-term development of the company.

Keeping in mind the unique business model of the company, the Board shall oversee compliance with all relevant policies and procedures by which the company operates and ensure that the company operates at all times in compliance with all applicable laws and regulations, adhering to the highest ethical and moral standards. It enables a risk management framework that includes compliance risk as a significant component.

The company's senior management shall do all the necessary to identify and manage compliance risk through all levels of the organisations. Whenever breaches are identified, senior management shall take appropriate remedial or disciplinary action. Regularly reviews provides an effectiveness of the compliance policy and makes necessary adjustments in response to changes in regulations or business practices.

COMPLIANCE FUNCTIONS

Compliance functions shall have the following activities at the minimum:

1. Assist the Board and senior management in overseeing the implementation of compliance policy including policies and procedures, prescriptions in compliance manuals, internal codes of conduct, etc
2. Identify, assess, and manage risks associated with organisation's activities and services. The compliance risks in existing/ new processes shall be analysed and appropriate risk mitigants to be put in place.
3. Ensure compliance of regulatory/ supervisory directions given by RBI.
4. Address compliance with directions from other regulators in cases where the activities of the company are not limited to the regulation/supervision of RBI.

CHIEF COMPLIANCE OFFICER AS A NODAL POINT OF CONTACT

The company shall appoint a Chief compliance officer (CCO) who should be sufficiently senior in the organisation hierarchy as per the requirement of the RBI scale based regulation.

ROLES, RESPONSIBILITIES AND POWERS OF THE CHIEF COMPLIANCE OFFICER

1. The Chief Compliance (CCO) shall be responsible for the overall compliance management system, mitigate the compliance risks associated with the company's business in line with the RBI laws and shall be responsible for laying proper procedure system within the company with respect to the compliances of RBI laws including RBI master Directions, master circular, RBI guidelines and other RBI notifications as may be applicable to the company from time to time.

2. The CCO shall be the nodal point of contact between the company and the regulators / supervisions and shall necessarily be a participant in the structured or other regular discussions held with RBI.
3. The CCO shall have direct reporting lines to the Chairman and Managing Director of the company.
4. The CCO shall report to the Board of Directors of the instances of any non-compliances occurred or failure in the compliance system.
5. The CCO and companies Function shall have the authority to communicate with any staff member and have access to all records or files that are necessary to enable her/ him to carry out entrusted responsibilities in respect of compliance issue.

REVIEW AND MODIFICATION

In case of any subsequent changes in the RBI Directions/ circular/ guidelines provisions in relation to compliance Function in the company the necessary changes shall be made in the policy.