

CORPORATE GOVERNANCE POLICY

SRS FINANCE LIMITED

(Adopted on 21.07.2014)



COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance is an ethically driven business process and practice to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and social expectations.

The Company's philosophy on Corporate Governance is to conduct business and its dealings with all stakeholders in compliance with laws and high standards of business ethics for effective control and management system in an organization, which leads to enhancement of shareholders and other stakeholder's value.

The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

BOARD OF DIRECTORS

The Board of the Company represents a healthy blend of knowledge and experience. The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

The Board is responsible to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees provide direction and guidance to the Company's Leadership Team and further direct, supervise as well as review the performance of the Company.

Board Composition: The Company's Board comprises of Six (6) Directors – Two (2) Executive Directors and Four (4) Non- Executive Directors. Out of Four (4) Non- Executive Directors, Three (3) are Independent.

The Company's Board has an optimum combination of executive and non-executive directors in line with the requirements of the provisions of the Companies Act, 2013, Articles of Association of the Company and Listing Agreement as amended from time to time.

The Board shall periodically review the compliances of all applicable laws in the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

The Board shall meet at least four (4) times in a year, with a maximum time gap of not more than 120-days between any two consecutive meetings.

COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall be constituted in accordance with the provisions of the Companies Act, 2013, Listing Agreement and RBI Guidelines, as may be amended from time to time and shall operate as per the guidelines



approved by the Board. The minutes of the meetings of all the Committees of the Board shall be placed before the Board for approval in subsequent meeting.

The Board has formed the following Committees in conformity with the Companies Act, 2013, Listing Agreement and guidelines & directions of the Reserve Bank of India: -

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Asset Liability Management Committee
5. Investment Committee
6. Stakeholders Relationship Committee
7. Corporate Social Responsibility Committee

The meetings of the Audit Committee, Asset Liability Management Committee and Risk Management Committee shall be held at least four times a year.

The meetings of the Nomination and Remuneration Committee could be held once a year and the members of the Investment Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee shall meet as many times as may be required.

The minutes of the committee meetings, the observations / recommendations will be put up to the Board for information. While any recommendations of critical importance will be put up to the next Board meeting, minutes of the normal review meetings will be put up to Board once a year.

DISCLOSURE AND TRANSPARENCY

With a view to update the Board for a systematic review, the following information will be put up by the Company to the Board of Directors at regular intervals or as prescribed by the Board:

- a. Progress made in putting in place a progressive risk management system, comprising risk management policy and strategy followed.
- b. Conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of meetings and compliance with coverage and review functions.

This information will be presented to the Board of Directors on annual basis or as the need arises.

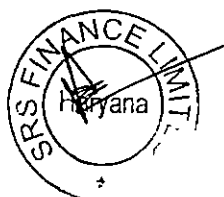
CONNECTED LENDING

The applicability of the said provisions are kept in abeyance as per the RBI Circular DNBS.PD/CC.104/03.10.042/2007-08 dated 11th July, 2007. The Company shall adhere to the provisions of the circular, once it becomes applicable.

ROTATION OF PARTNERS OF THE AUDIT FIRM

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Company shall apply rotation of partners of audit firms appointed for auditing the company.

Company will incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.



(Our Company is not a deposit taking NBFC and does not hold any deposits.)

PUBLICATION OF CORPORATE GOVERNANCE GUIDELINES ON THE WEBSITE OF THE COMPANY

The Company has got a dedicated website (www.srsparivar.com) and hence will publish the guidelines on the website of the company.

REVIEW OF THE POLICY

The Corporate Governance Policy will be reviewed and updated / modified by the Company based on the best practices in this regard or to enhance the scope of guidelines, besides complying with guidelines / regulations issued by regulators from time to time. Policy conformity and Policy review will be put up to the Board on annual basis.

For SRS Finance Limited




(Dr. Anil Jindal)

Chairman