

20th June, 2016

Ms. Aarti Madaan
H.No. 859-A,
Jawahar Colony,
N.I.T Faridabad-121001

Dear Ma'm,

Sub: Appointment as an Independent Director

I am pleased to inform you that upon recommendation of Nomination & Remuneration Committee, the Board of Directors ('the Board') of SRS Finance Limited ('the Company') has approved your appointment as an Independent Director of the Company w. e. f. 20th June, 2016. This letter of appointment sets out the terms and conditions of your appointment/re-appointment that are as follows:

1. Appointment

1.1 In accordance with the provisions of the Companies Act, 2013, other applicable laws and Listing Agreement, you have been appointed as an Independent Director of the Company with effect from 20th June, 2016. Your appointment is subject to approval by the Shareholders of the Company the upcoming Annual General Meeting (AGM) of the Company and shall always be subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Agreement.

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, you have been appointed as an Independent Director of the Company to hold office for five consecutive years from 20th June, 2016 upto 19th June, 2021, whose office shall not be liable to retire by rotation.

The Company is at liberty to disengage the services of an Independent Director earlier, subject to compliance of relevant provisions of the Companies Act, 2013.

2. Board Committees

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

You have been nominated to serve as the Chairman of the Audit Committee and member of Risk Management Committee.

3. Time Commitment

SRS FINANCE LIMITED

Corp. & Regd. Office : SRS Tower, 306, 3rd Floor, Near Metro Station Mewla Maharajpur, Delhi Mathura Road, Faridabad, NCR Delhi-121003 **T** 0129-4323100 **F** 0129-4323195

Admin. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad, NCR Delhi-121007 **T** 0129-4282801-08 **F** 0129-4282809-810

Delhi Office: 202, 27 New Delhi House, Barakhamba Road, Connaught Place, New Delhi - 110001 **T** 011-41571258-60 **F** 011-41571269

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3.1 As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets atleast six times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Asset Liability Management Committee, Risk Management Committee, Investment Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened as and when the requirement arises. You will be expected to attend meetings of Board, Board Committees to which you are/may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Faridabad (NCR Delhi).

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Professional Conduct

As an independent Director, you shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising your duties;
- (3) Exercise your responsibilities in a *bona fide* manner in the interest of the Company;
- (4) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- (5) Not allow any extraneous considerations that will vitiate your 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 your 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 you lose your independence, you must immediately inform the Board accordingly;
- (9) Assist the Company in implementing the best corporate governance practices.

5. Functions, Responsibilities and Duties

5.1 Functions: -

As an Independent Directors, you 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;

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- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy yourself on the integrity of financial information and that financial control & 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.

5.2 Responsibilities

Independent Directors have the same general legal responsibility to the Company as that of any other Director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing & supervising the Company's affairs.

The Board: -

- provides entrepreneurial leadership of the Company within a framework of prudent & effective controls which enable risk to be assessed and managed;
- sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance;
- sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company;
- provides the strategic guidance to the Company, ensure effective monitoring of the management and should be accountable to the Company and the shareholders;
- acts on a fully informed basis, in good faith, with due diligence and care, apply high ethical standards and in the best interest of the Company and the shareholders.
- encourages continuing directors training to ensure that the Board members are kept up to date.

5.3 Duties:

You shall—

- (1) undertake appropriate induction and regularly update and refresh your 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, participate constructively and actively all meetings of the Board of Directors, General meetings and of the Board committees of which you are a member/chairperson;
- (4) where you 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 your concerns are recorded in the minutes of the Board meeting;

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- (5) keep yourself well informed about the Company and the external environment in which it operates;
- (6) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (7) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- (8) 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;
- (9) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (10) act within your authority and assist in protecting the legitimate interests of the Company, shareholders & its employees;
- (11) 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.

You shall always abide by the Company's Articles of Association while discharging your duties & responsibilities.

6. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

The sitting fees presently paid to Independent Director is Rs.3,000/- for attending the meeting of the Board and Rs.1,500/- for attending Committee meeting.

7. Membership of other Boards

It is expected that you will not serve on the boards of competing companies. Apart from applicable laws and good corporate governance practices, there is no other limitation.

8. Conflict of Interest

8.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

8.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

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9. Confidentiality

All information acquired during your appointment is confidential to SRS Finance Limited and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by SRS Finance Limited

Your attention is also drawn to the requirements under the applicable regulations and the SRS' 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices' which concern the disclosure of price sensitive information and dealing in the securities of SRS Finance Limited. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

10. Induction

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

11. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the expenditure incurred by you for the advice.

11. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or Company is acceptable.

12. Termination

- 1) You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- 2) Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with the provisions of Companies Act, 2013, Articles of Association of the Company and Listing Agreement, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- 3) Your appointment may also be terminated by the Board by giving a reasonable written notice in advance.

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It is a pleasure to have you on Board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Yours Sincerely
For and on behalf of the Board

Naveenk. Tayal
(Naveen Kumar Tayal)
Whole-Time Director
DIN: 06862109
Add: H.No. 202, Sector-9,
Faridabad



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