

Report on Corporate Governance

Annexure 1

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 COMPOSITION AND APPOINTMENT

The Board of Directors of the Company ("Board") consists of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. Out of nine as the total number of Directors as on March 31, 2022, four Directors, which is more than one third of the total number of members of the Board, are Independent with one Woman Independent Director. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and each Independent Director is independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by

the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure – 13), which is displayed on the web site of the Company (Refer table 1) .This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued with appointment letters. The format of such appointment letter is displayed on the web site of the Company (Refer table 1). The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. On appointment and during each year, each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (Refer table 1). The chairperson presides over BMs and meetings of the shareholders. The MD and CEO acts as a link between the Board and the management team. The following chart or matrix identified by the Board and the concerned Director as the required skills/ expertise/ competencies for the Directors of the Company and the individual Director concerned. in the context of the NBFC sector.

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No.	Name of the Director	Skills / Expertise / Competencies identified by Board												
		Financial	Regulatory affairs	Capital market/ treasury	Sales/ Marketing / Recovery	Technology	Risk Management	Planning	Business Analysis	Investor servicing	Decision making	Diversifying the products	Human Resource Management / Leadership	Mergers and Acquisitions
1	Debendranath Sarangi		YES					YES		YES		YES		
2	Yalamati Srinivasa Chakravarti	YES		YES	YES	YES	YES	YES				YES	YES	
3	Diwakar B Gandhi	YES	YES	YES	YES	YES						YES	YES	YES
4	Duruvasan Ramachandra			YES	YES	YES	YES					YES	YES	
5	Ignatius Michael Viljoen	YES					YES					YES	YES	
6	Maya S Sinha	YES	YES				YES		YES			YES	YES	
7	Shashank Singh	YES		YES				YES						YES
8	Umesh G Revankar	YES	YES			YES	YES	YES				YES	YES	
9	Venkataraman Murali	YES	YES			YES	YES	YES	YES			YES	YES	YES

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2.1 DETAILS OF DIRECTORS

No	Name of the Director	DIN	Category of Directorships	Position	Name of the listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM	EGM #	*	**	***	Remuneration (in crores)	Percentage of increase during FY21	Ratio of remuneration of each Director/ Director to median remuneration of employees
1	Sri Debendranath Sarangi	01408349	NE	Chairperson	1.Voltas Ltd - Non Executive, Independent Director 2. Southern Petrochemical Industrial Corporation Ltd, Non Executive, Independent 3. Taminadu Petroproducts Ltd, Non Executive, Independent	-	CSR, NRC	6	-	-	-	3	-	5	-	2	Present	Present	5	1	-	0.1275	75.00	8.28
2	Sri Y S Chakravarti	00052308	E	MD and CEO	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	ALCO, CSR, IT Strategy Committee, SRC	6	4	-	-	3	2	-	2	-	Present	Present	1	-	-	0.8240	28.13	48.49
3	Sri Diwakar B Gandhi	00298276	NE	Director	CES Ltd - Non Executive, Independent Director	NRC	SRC, ARMC	6	-	2	-	-	-	5	2	2	Present	Present	6	-	-	0.135	114.29	8.87
4	Sri Durvasan Ramachandra	00223052	NE	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	-	5	-	-	-	-	-	-	-	-	Present	Present	3	3	-	-	-	-
5	Sri Ignatius Michael Vijjen	08452443	NE	Director	Shreyas Shipping and Logistics Ltd - Non Executive, Independent Director	-	NRC	5	-	-	-	-	-	5	-	-	Present	Present	6	-	-	-	-	-
6	Smt Maya S Sinha	03056226	NE	Director	Zensar Technologies Ltd - Non Executive, Non Independent Director	CSR, SRC	ARMC	6	-	6	-	3	-	-	2	2	Present	Present	10	-	1	0.1475	113.33	9.46
7	Sri Pranab Prakash Pattanayak	00506007	NE	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	ALCO	ARMC	3	3	3	-	-	-	-	-	1	Present	Present	1	-	-	0.0825	100.00	5.32
8	Sri Shashank Singh	02826978	NE	Director	Take Solutions Ltd - Non Executive, Independent Director	-	-	6	-	-	-	-	-	-	-	-	Present	Present	4	1	-	-	-	-
9	Sri Umesh G Revankar	00141189	NE	Director	Take Solutions Ltd - Non Executive, Independent Director	-	ALCO	1	1	-	-	-	-	-	-	-	Present	Not applicable	8	-	-	-	-	-
10	Sri Venkataraman Murali	00730218	NE	Director	Take Solutions Ltd - Non Executive, Independent Director	ARMC	SRC, ITS	6	-	6	-	-	2	-	2	2	Present	Present	4	1	1	0.1425	100.00	9.46

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri Umesh G Revankar was appointed as an Additional Director w.e.f. December 14, 2021
Sri Pranab Prakash Pattanayak director resigned with effect from January 5, 2022.

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson, Ms Maya S Sinha and Sri Diwakar B Gandhi as Members of the Committee w.e.f. January 6, 2022

ALCO was reconstituted with Sri Y S Chakravarti as the Chairperson, Sri Ramasubramanian Chandrasekar and Sri Umesh G Revankar as Members of the Committee w.e.f. January 6, 2022

ITS was reconstituted with Sri Venkataraman Murali as Chairperson. Sri Y S Chakravarti, Sri Ramasubramanian Chandrasekar, Smt Anitha S, Sri R. Jayaraman and Sri M Karthikeyan as Members of the Committee w.e.f. November 2, 2020
SRC was reconstituted with Ms Maya S Sinha as Chairperson, Sri Diwakar B Gandhi, Sri Venkataraman Murali and Sri Y S Chakravarti as Members of the Committee w.e.f. November 3, 2020

Sri Ramasubramanian Chandrasekar is member of the ALCO but not member of the Board

Sri Ramasubramanian Chandrasekar, Smt Anitha, Sri R. Jayaraman and Sri M Karthikeyan are members of the IT Strategy Committee but not members of the Board

Sri Ramasubramanian Chandrasekar, Smt Kirithika Doraiswamy and Sri R. Jayaraman are members of the BSMC but not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

***Number of directorships held in other companies (including alternate directorship) held in other companies except Shriram City Union Finance Ltd, **Membership of the Committees of the Board of Directors of other companies. ***Chairmanship of the Committees of the Board of Directors of other companies. *Committee of other companies here means Audit Committee and Shareholders'/Investors' grievance committee public limited companies in India.

Remuneration : Independent Directors are paid sitting fees only for being a member and attending respective meetings of ALCO, ARMC, CSR, ITS, NRC, SRC, IDM and General Meeting ₹ 75,000 per meeting attended w.e.f. July 1, 2021. The remuneration of MD and CEO is as per terms of his appointment.

During FY22 sixty six meetings of BSMC, four meetings of ALCO, six meetings of ARMC, five meetings of NRC, two meetings of SRC, two meetings of CSR, two meetings of ITS and two meetings of IDM were held during FY21.

Percent increase-increase in remuneration in FY10 over FY20

Ratio of remuneration-Ratio of remuneration of each Director/ to median remuneration of employees

Name of Other listed entities - Name of other listed entities where directorship is held and category of directorship

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None of our Directors hold Company's equity shares or convertible instruments in their name or on beneficial basis by them as declared by them as per para C (2) (f) of Schedule V of LODR. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for 2021-22 were placed before the Board Meeting ("BM") held on April 29, 2022. None of the Directors is related inter se in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders, and abuse in related party transactions are done by the Board on quarterly basis.

2.2 BOARD PROCESS

Board Meeting ("BM") takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results of the Company. Management team makes presentations on the operations, financial results, strategy, internal audit, risk management and human resource at the meetings of the Board and Committees. Familiarisation programmes are conducted periodically. Additional BMs are held by giving appropriate notice on specific needs. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for a financial year is decided in advance. Notice and Agenda of each BM are sent to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairman and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors and the respective functional heads of the Company. Where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairman. The Board has accepted all recommendations

of its committees during 2021-22. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the Chair person. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC. The Board also evaluates the fulfilment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 13.

2.3 FUNCTIONING OF THE BOARD

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company are managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has constituted committees with specific terms of

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reference by delegating some of its power, where ever required. Committees constituted are as per requirements of business and as mandated under laws. On constitution of Committees, the Board defines the terms of reference and appoints members and the chairperson of the Committee. Committees are named according to broad term of reference. The Committees are constituted or re-constituted depending on business or regulatory need. The Committees are reconstituted with change in members as the need be. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non-compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

Six BMs were held during the Year - on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021, January 28, 2022 and March 8, 2022 and the time gap between the two BMs did not exceed 120 days during 2021-22. The attendance and other relevant details of each Director are mentioned in table 2.1. All the meetings of the Board and Committees were held virtually at Chennai through video conferencing during 2021-22 to adhere to social distancing norms. All the participants made declaration individually in the meetings about receipt of agenda, clarity of audio/video, recording of attendance etc at the beginning of each meeting.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number meetings held during the Year is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 MEETING OF INDEPENDENT DIRECTORS

A meeting of Independent Directors was held on October 27, 2021 and December 13, 2021 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (refer table 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure – 12.

2.7 REMUNERATION OF DIRECTORS

We affirm that the remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (refer table - 1). Non Executive Independent Directors get sitting fees for each of the meeting of the Board and Committee (where he/she is a member) attended. Such fees paid to the Directors during 2021-22 are mentioned in the table 2.1. The Managing Director (MD) and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. The details of remuneration of the MD and CEO is mentioned in Annexure – 9 and there are no stock option provided to the MD and CEO. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted committees for different purposes of the business of the Company and as per requirements outlined under the Act, LODR and regulations of RBI. Guidelines are set out in regulation 18, 19, 20, 21 of LODR. At the time of constituting a committee, the Board defines terms of reference, appoints members and chairperson. The Board makes any changes thereof of each committee as and when required. The

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committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. ASSET LIABILITY MANAGEMENT COMMITTEE

This Committee was constituted as required under RBI notification no. DNBS. (PD).CC No. 15/02.01./2000-2001 dated June 27, 2001 applicable to Non Banking Finance Companies.

3.1.1 Brief terms of reference

(i) Formulate, review monitor and recommend Policy on Investment, Asset-Liability Management, Private Placement of NCDs, Securitisation, Interest Rate Approach and Gradation of Risk and other related matters, (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets liabilities/interest risk/ liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

Composition of the Committee and attendance are mentioned in the table 2.1. During 2021-22, the Committee met 4 times on April 30, 2021, July 29, 2021, October 27, 2021 and January 28, 2022.

3.2. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and its adequacy, financial controls, risk management systems,

risk assessment reports, management letters, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cyber security, (viii) approve appointment of Chief Financial Officer (CFO) (ix) Seek information from employees, obtain legal or professional advice and (x) review utilisation of loans and/ or advances from/investment by the Company in the subsidiary(ies) exceeding ₹ 100 crores or 10% of the asset size of the subsidiary(ies), whichever is lower including existing loans / advances / investments. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition and Meetings

The Composition of the Committee and attendance are mentioned in the table 2.1. The Committee met 6 times during 2021-22 on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021, January 28, 2022 and March 8, 2022.

3.3. BANKING & SECURITIES MANAGEMENT COMMITTEE

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 66 meetings held during 2021-22.

3.4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act. The composition of the Committee and attendance are mentioned in the table 2.1

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board Corporate Social Responsibility ("CSR") Policy of the Company indicating the activities to be undertaken

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in compliance with applicable regulations (ii) plan, identify, evaluate, check sustainability, decide, approve execute and monitor CSR projects/ programs/activities (iii) recommend an annual action plan including the list of CSR projects or programmes specified in Schedule VII of the Act, the manner of execution, modalities of utilisation of funds in implementation, monitoring and reporting mechanism, and impact assessment pursuant to with the CSR Policy (iv) approve CSR activities/expenditure in case of emergency situations or natural calamities and ongoing multi year projects/ programmes/ activities having timelines not exceeding three years excluding the year in which the project/ programmes/ activity commenced (v) recommend ratification of existing projects/programmes/ activities the duration of which has been extended beyond one year by the Board (vi) monitor and decide on all the activities with respect to CSR including appointment of any CSR Agent/ intermediary/ Implementing agency and authorise any official to do any or all necessary acts and deeds as may be required for the purpose of CSR projects/program/activity of the Company (vii) ensure transfer of Unspent CSR amount to any fund specified in Schedule VII until a specific fund is notified by Ministry of Corporate Affairs for transfer of unspent CSR amount and (viii) ensure that the activities included in the CSR policy are undertaken by the Company

3.4.2 Composition and Meetings

The Committee met 3 times during 2021-22 on April 30, 2021, July 29, 2021 and October 27, 2021.

3.5 IT STRATEGY COMMITTEE

The Committee was formed as required under RBI/ DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy by balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports

3.5.2 Composition and Meetings :

The Committee met on July 29, 2021 and January 28, 2022 during 2021-22.

3.6 NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 5 times during 2021-22 on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021 and January 28, 2022

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met twice during 2021-22 on April 30, 2021 and July 29, 2021. There were no outstanding shareholder complaint at the beginning of 2021-22 and the Company has not received any complaint from the shareholder during 2021-22. No complaint was pending as on March 31, 2022.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only

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subsidiary of the Company. SHFL is managed by its Board of Directors consisting of 4 Directors out of which 2 Independent Directors and 2 non Independent Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of its independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during 2021-22 by ARMC of the Company. The minutes of the meetings of BM and ARMC of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events and Policy on Preservation and Archival of Documents is available at the website (refer table – 1)

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, which is displayed on the web site of the Company (refer table 1). The RPTs were reported to the ARMC and the Board on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/promoter group which holds 10% or more shareholding in the Company is given in the notes to accounts of the financial statements. There were no material RPTs during 2021-22. RPTs are reported in note no. 42 of the Notes to accounts of the financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 CORPORATE

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Limited ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 APPOINTMENT/REAPPOINTMENT OF DIRECTORS

One third of the Directors (excluding Independent Directors) liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Ignatius Michael Viljoen holding (DIN – 008452443) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. Sri Umesh Govind Revankar (DIN - 00141189) who was appointed as the additional director with effect from December 14, 2021 who hold office upto the conclusion of 36th AGM has expressed his intention and confirmed his eligibility to be appointed as Director of the Company. The details on the appointment of Sri Umesh Govind Revankar forms a part of the Notice of the ensuing AGM. The notice of the 36th AGM states about the appointment/re-appointment of above named Directors. .

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6.3 GENERAL BODY MEETINGS / POSTAL BALLOTS

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2019	33rd AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	July 29, 2019	10.00 am	*
2020	34th AGM	Video Conferencing ("VC") at Chennai	July 31, 2020	10.00 am	**
2021	35th AGM		July 29, 2021	10.00 am	***
2022	Extraordinary General Meeting		September 8, 2021	11.00 am	****

*Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director, Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director, Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and private placement of securities

**Appointment of Sri Ignatius Michael Viljoen (DIN – 08452443) as a Non Independent Director, Appointment of Sri Debendranath Sarangi (DIN – 01408349) as an Independent Director, Appointment of Smt Maya S Sinha (DIN – 03056226) as an Independent Director and Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores

*** Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and Alteration of Article 26.2 of the Articles of Association of the Company.

**** Resignation of Auditors M/s G D Apte & Co. and their remuneration for 2021-22 and Appointment of M/s R Subramanian & Co, LLP and M/s Abarna and Ananthan as joint auditors of the Company and their remuneration.

The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot and remote e-voting in 2020-21 for creation of security on the assets/ receivables of the Company and for securitisation

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	
E	57	5,50,04,731	94.64	36	31,09,304	5.35	July 29, 2019
PBF	60	5,002	0.01	1	5	0.00	
E	97	5,76,98,994	99.96	7	20,948	0.04	June 12, 2020
E	129	4,65,39,958	99.95	9	22,038	0.05	

Electronic ("E") and Postal Ballot Forms ("PBF")

The following special resolutions were passed through remote e-voting for issue of debentures on private placement basis by the Board

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	98	5,76,99,894	99.97	7	20,054	0.03	June 12, 2020
E	126	4,65,39,698	99.95	10	22,039	0.05	June 12, 2021

Report on Corporate Governance

Annexure 1 (Contd.)

Sri P Sriram, M/s SPNP & Associates, Company Secretaries in practice was appointed as the scrutiniser for carrying the process of remote e-voting in fair and transparent manner.

All business set out in the notice of 36th AGM shall be conducted through remote e-voting in compliance with sections 108, and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of 36th AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cutoff date. The scrutiniser appointed by the Board shall submit his report on results of the respective voting to the Chairman after completion of his scrutiny within permissible time. The facility of e-voting shall be made available at the 36th AGM with the assistance of scrutinisers for the members, who have not casted their votes through remote e-voting.

6.4 MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During 2021-22, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 42 of the financial statements attached hereto. The statement of RPTs is placed before the Audit Committee on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Related Party Transaction Policy and dealing with RPTs as approved by the Board is uploaded on the Company's web site (Refer Table 1). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the payment of sitting fees to Directors by the Company.

6.5 ACCOUNTING TREATMENT

The details of accounting treatment followed during 2021-22 are mentioned in the Notes to Financial Statements.

6.6 RISK MANAGEMENT

Our business is subject to uncertainties and risks. The impact of these risks may impact our performance. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report

titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3). Risk management is reviewed by ARMC of the Company on quarterly basis.

6.7 DETAILS OF NON COMPLIANCE AND PENALTIES, STRICTURES IMPOSED

There were no instances of non compliance by the Company on any matter relating to capital market during last three years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies) last 3 years except mentioned in the notes to accounts.

6.8 WHISTLE BLOWER, VIGIL MECHANISM AND PROHIBITION OF INSIDER TRADING

The Company promotes ethical behaviour in all its business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behaviour providing for adequate safeguard against victimisation of directors/employees, who avail of the mechanism. This policy is disclosed in the web site of the Company. No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company.

6.9 AUDIT OF RECONCILIATION OF SHARE CAPITAL

Audit of reconciliation of share capital is mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly, this audit for reconciliation of share capital admitted with NSDL and CDSL with the total issued and listed capital were carried out on a quarterly basis during 2021-22 by M/s SPNP & Associates ("SPNP"). SPNP was appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 MEANS OF COMMUNICATION

The Company communicates periodically with shareholders, debenture holders, fixed depositors through different modes such as individual letters, publication in news papers, disclosure to BSE/NSE, display on its web site, emails, annual reports etc. The annual and quarterly financial results of 2021-22 were published in newspaper in english in "Business Standard" and in Tamil in "Makkal

Report on Corporate Governance

Annexure 1 (Contd.)

Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved. The quarterly/half /yearly financial results are published in the newspapers of wide circulation and are sent to registered email ids of individual shareholders. Financial Results are also displayed on the website of the Company (Refer Table 1), BSE and NSE.

The Company also give press release in different news papers after declaration of financial results for information of investors. The Company's website contains a separate section "INVESTOR", where shareholder/security holder information are displayed. Presentations made to institutional investors, investors/ earning conference calls or to the analysts transcripts, and other general information about the Company are also available on the Company's website https://www.nseprimeir.com/z_SHRIRAMCIT/earning_call.aspx and https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx The annual report of the Company is also displayed at the same section of the website of the Company (Refer Table -1). Shareholders have been provided with an opportunity to update their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results were sent in electronic form to the registered email ids of shareholders. The Ministry of Corporate Affairs (MCA) and SEBI have exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2022 vide general circular number 2/2022 dated May 5, 2022 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 respectively The

Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralised web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Investor section of the web site contains specified email ids for investor servicing i.e. sect@shriramcity.in, scufncd18@shriramcity.com, customersupport@shriramcity.com, shriramcity@shriramcity.in The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz <https://neaps.nseindia.com/NEWLISTINGCORP/> and on BSE Listing Centre <https://listing.bseindia.com>. The presentations made by the Company to analysts are displayed on the web site of the Company (Refer Table -1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the ARMC and Board. The Company discloses to BSE/NSE information required to be disclosed under Regulation 30 read with Part A of Schedule III of the LODR including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events as required under LODR.

6.11 DETAILS OF 36TH AGM

a. Date and Time	July 22, 2022 at 10 a.m
b. Venue	The Company will conduct meeting through VC/OVAM pursuant to the MCA circular and as there is no requirement to have venue for the AGM. For details please refer to the Notice of AGM.
c. Dividend	Interim dividend and 2nd Interim dividend of ₹ 10.00 and ₹ 27.00 per equity share declared by the Board at its meeting held on October 27, 2021 and March 8, 2022 was paid on November 24, 2021 and March 25, 2022. The Board has not considered recommendation of final dividend at its meeting held on April 29, 2022.

6.12 FINANCIAL YEAR

The financial year for 2021-22 was from April 1, 2021 to March 31, 2022. The next financial year is from April 1, 2022 to March 31, 2023. The financial year of the Company is from April 1 to March 31.

Report on Corporate Governance

Annexure 1 (Contd.)

6.13 DETAILS OF LISTING ON STOCK EXCHANGES

The equity shares of the Company with ISIN – INE722A01011 are listed on BSE and NSE with stock code 532498 and SHRIRAMCIT respectively. The annual listing fees to BSE and NSE and annual custodian fees to NSDL and CDSL for the 2021-22 were paid on time by the Company. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (refer Table -1). The Company submitted the documents/information to the respective Trustees to the issues and allotment of NCDs were made on time during 2021-22 in compliance of Regulation 55 of the LODR.

6.14 STOCK MARKET PRICE DATA

The volume and market price (high and low) of equity shares of the Company traded in each month during 2021 -22 are given below.

Month	NSE						BSE							
	Per share price (in ₹ of the Company)			Volume of shares traded	NIFTY (in ₹)			Per share price (in ₹ of the Company)			Volume of shares traded	SENSEX (in ₹)		
	High	Low	Average		High	Low	Average	High	Low	Average		High	Low	Average
Apr-21	1482.10	1400.10	1441.10	452404	14894.90	14296.40	14595.65	1480.25	1397.40	1438.83	189446	50029.83	47705.80	48867.82
May-21	1932.50	1523.80	1728.15	1968096	15582.80	14496.50	15039.65	1931.05	1518.80	1724.93	101343	51937.44	48253.51	50095.48
Jun-21	1741.55	1645.20	1693.38	920345	15869.25	15574.85	15722.05	1738.20	1655.45	1696.83	38984	52925.04	51849.48	52387.26
Jul-21	1859.15	1685.75	1772.45	795584	15924.20	15632.10	15778.15	1855.70	1687.55	1771.63	70221	53158.85	52198.51	52678.68
Aug-21	2158.10	1800.60	1979.35	2301147	17132.20	15885.15	16508.68	2163.95	1804.50	1984.23	153238	57552.39	52950.63	56251.51
Sep-21	2554.15	2033.25	2293.70	3303807	17855.10	17076.25	17465.68	2554.50	2031.60	2293.05	125530	60077.88	57338.21	58708.05
Oct-21	2287.05	2056.35	2171.70	849614	18477.05	17532.05	18004.55	2368.30	2065.25	2216.78	44117	61765.59	58765.58	60265.59
Nov-21	2225.95	1940.40	2083.18	748270	18109.45	16983.20	17546.33	2227.15	1941.65	2084.40	44755	60718.71	57064.87	58891.79
Dec-21	2146.75	1683.40	1915.08	2395977	17516.85	16614.20	17065.53	2143.60	1685.55	1914.58	95121	58807.13	55822.01	57314.57
Jan-22	1827.05	1666.25	1746.65	781859	18308.10	17101.95	17705.03	1821.65	1666.90	1744.28	43735	61308.91	57200.23	59254.57
Feb-22	1858.20	1513.80	1686.00	845200	17780.00	16247.95	17013.98	1858.00	1513.30	1685.65	35829	59558.33	54529.91	57044.12
Mar-22	1627.90	1441.55	1534.73	1079686	17498.25	15863.15	16680.70	1625.75	1443.80	1534.78	74506	58683.99	52842.75	55763.37

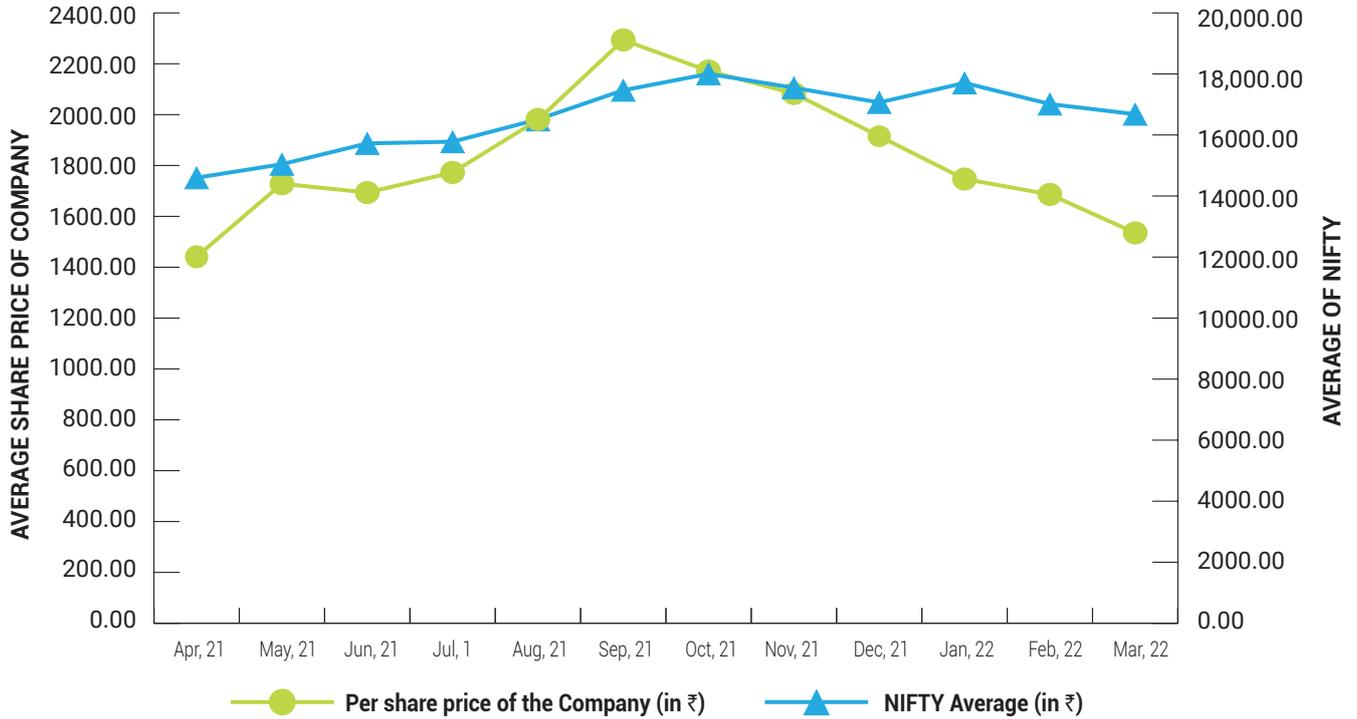
Average price per share= (High price per share+Low price per share)/2

Report on Corporate Governance

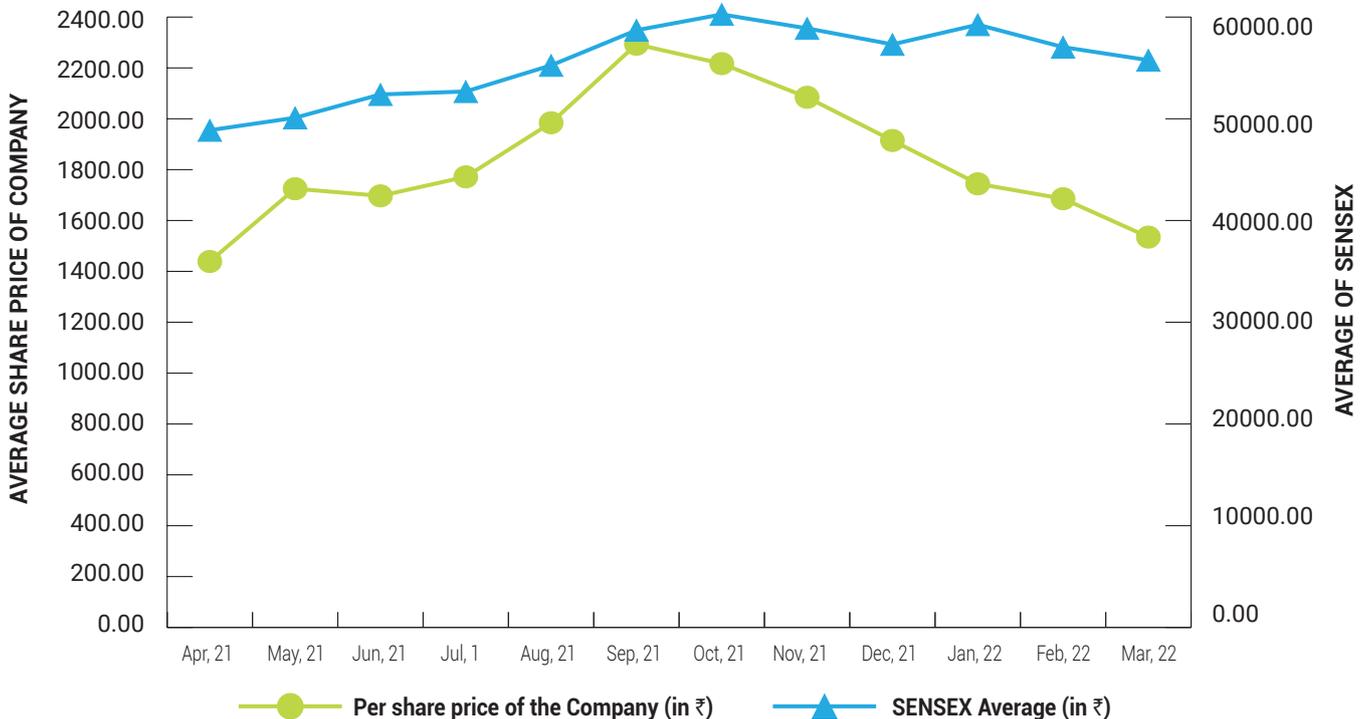
Annexure 1 (Contd.)

6.15 MOVEMENT OF SHARE PRICE OF THE COMPANY IN COMPARISON TO NIFTY AND SENSEX

Company's Average Share Price v/s Average NIFTY



Company's Average Share Price v/s Average SENSEX



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Annexure 1 (Contd.)

6.16 CONTACT DETAILS

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Smt Anusha N Sri K Balasubramanian	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@integratedindia.in csdstd@integratedindia.in or scuf@integratedindia.in
	Public issue of NCDs 2011, 2012 and 2019						
	Public issue of NCDs 2013 and 2014						
Trustees for NCDs		Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Smt Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee.com or grievance@ctltrustee.com
Regulators		Ministry of Corporate Affairs ("MCA")	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659		
		Securities and Exchange Board of India ("SEBI")	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi.gov.in
		Reserve Bank of India ("RBI")	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000		
Stock Exchanges		National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 – 8114	+91 22 2659 8120	
		BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@bseindia.com
Depository		National Securities Depository Limited ("NSDL")	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in
		Central Depository Services (India) Limited ("CDSL")	Marathon Futurex, A – wing, 25th floor, N Services (India) Limited ("CDSL")	M Joshi Marg, Lower Parel, Mumbai – 400 013		+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533	helpdesk@cdslindia.com

The aforesaid details are displayed on the web site of the Company.

Report on Corporate Governance

Annexure 1 (Contd.)

6.17 SHARE TRANSFER SYSTEM:

Company's shares are held by the holders in dematerialised form and few share holders hold it in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of shares held in dematerialised form are effected through the depositories with no involvement of the Company. In terms of Regulation 40 of LODR securities can be transferred only in dematerialised form w.e.f. April 1, 2019 except in transmission or transposition of securities. Further that transmission or transposition of securities held in physical or dematerialised form shall be processed and effected only in dematerialised form. As per SEBI circular No. SEBI/ HO/ MIRSD/ MIRSD_RTAMB /P/ CIR/ 2022/ 8 dated January 25, 2022, in case of Shares held in physical form, the RTA / Issuer Companies shall verify / process the service requests Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, for the purpose of dematerialisation. The Board has delegated the authority to approve transmission etc of shares and securities of the Company to it's BSMC. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance from M/s SPNP & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during 2021-22 within stipulated time. There were no deviations reported in the said certificates. The Company also received internal audit report of RTA.

6.18 UPDATION OF DEMOGRAPHIC DETAILS :

Updation of Nomination, Permanent Account Number ('PAN'), Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. It is mandatory under SEBI regulations to provide PAN card for transfer/transmission of securities.

6.19 DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2022

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	23,563	96.75	8,76,482	1.32
501-1000	371	1.52	2,71,301	0.41
1001-2000	176	0.72	2,48,824	0.37
2001-3000	63	0.26	1,58,528	0.24
3001-4000	22	0.09	76,395	0.11
4001-5000	15	0.06	66,695	0.10
5001-10000	50	0.21	3,69,947	0.56
10001 AND ABOVE	94	0.39	6,45,59,844	96.90
Total	24,354	100.00	6,66,28,016	100.00

6.20 SHAREHOLDING PATTERN (IN %) AS AT MARCH 31, 2022

Promoters	Mutual Funds	Banks and FIs	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Company	Foreign Portfolio Investor	NRIs	Others	Alternative Investment Fund	Total
34.6117	4.0114	0.0025	0.0123	10.0502	2.8043	0.0016	20.1445	28.1581	0.1004	0.1028	0.0002	100

6.21 DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE, which are managed by NSDL and CDSL. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2022, 6,65,12,698 of equity shares (99.83% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

Report on Corporate Governance

Annexure 1 (Contd.)

6.22 OUTSTANDING GDR/ADR/CONVERTIBLE WARRANTS, CONVERSION DATE AND IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006 and Employees Stock Option Scheme 2013, the required details of which are set out in annexure to Report of Directors.

6.23 LOCATION

The Company is in the business of Non Banking Finance and operates through various offices in India with registered office at Chennai.

6.24 ADDRESS FOR CORRESPONDENCE

Registered Office : 123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 2534 1431

Secretarial Office : 144, Santhome High Road, Mylapore, Chennai 600 004. Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430

Email : sect@shriramcity.in

6.25 CALENDAR FOR THE FINANCIAL YEAR 2021 – 2022 (TENTATIVE)

Annual General Meeting	September, 2022
Unaudited results for the quarter ending June 30, 2022	Last week of July, 2022
Unaudited results for the quarter / half –Year ending September 30, 2022	Last week of October, 2022
Unaudited results for the quarter ending December 31, 2022	Last week of January, 2023
Audited results for the Year ending March 31, 2023	Last week of May, 2023

6.26 ADOPTION OF MANDATORY AND NON MANDATORY REQUIREMENTS UNDER LODR

The Company has complied with all mandatory requirements and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons. The Company does not maintain a separate office for the Non-executive Chairman.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO and CFO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for 2021-22 is attached to this report as Annexure - 4 (Refer Table-1). The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance. A certificate from the Joint Statutory auditors of the Company, M/s R Subramanian & Co, LLP and M/s Abarna and Ananathan., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2). The certificate is without any adverse remarks and reservation.

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each director has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company. The Board at its meeting held on April 30, 2021 appointed SPNP as the Practicing Company Secretary for issuing the certificate on disqualification of directors.. Pursuant to Schedule V Para C clause (10)(i) of the LODR, the Company has obtained certificate from M/s SPNP & Associates practicing company secretary confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority (Refer Annexure - 10)

Report on Corporate Governance

Annexure 2

R. SUBRAMANIAN AND COMPANY LLP

Chartered Accountants
New No. 6, Krishnaswamy Avenue, Luz,
Mylapore, Chennai – 600 004.

ABARNA AND ANANTHAN

Chartered Accountants
521, 3rd Main Rd, 2nd Phase,
6th Block, Banashankari, Bengaluru - 560085

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members Shriram City Union Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Limited ('the Company'), for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

OPINION

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
7. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For R Subramanian and Company LLP

Chartered Accountants
FRN : 04137S / S200041

CA K Jayasankar

Partner
M No. 014156
UDIN : 22014156AIBOUT9841
Place : Chennai
Date : April 29, 2022

For Abarna and Ananthan

Chartered Accountants
FRN : 000003S

CA (Smt) Lalitha Rameswaran

Partner
M No. 207867
UDIN : 22207867AIBIBF6407