

POLICY FOR APPOINTMENT OF STATUTORY AUDITORS FOR SUNDARAM FINANCE LIMITED

(APPROVED AT THE BOARD MEETING HELD ON 9TH AUGUST 2021)

1. Background:

The Reserve Bank of India (RBI) has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide their notification REF.NO.DOS.CO.ARG/SEC.01/08.91.001/2021-22 DATED 27TH APRIL 2021 (RBI REGULATIONS). In line with the same and also taking into account the FAQ issued by RBI on 11th June 2021 this policy has been prepared and hosted on the website

2. Applicability

This Policy will be applicable from the Financial Year 2021-22 and onwards in respect of appointment/reappointment of Statutory Auditors

3. Objective of the policy

The primary objective of the policy is to lay down a framework and procedures for appointing Statutory Auditors in compliance with all the Regulatory provisions (like RBI REGULATIONS, provisions of Companies Act 2013 (CA 13) and rules framed thereunder, provisions of Securities and Board of Exchange of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR 15) and Rules framed thereunder and any other Statute as may be and to the extent applicable to Sundaram Finance Ltd. Notwithstanding this, wherever the provisions of the _RBI REGULATIONS/CA 13/LODR 15/any other Statute are at variance amongst themselves, the most conservative compliance amongst the same shall be adopted (in other words the strictest provisions will be used for guidance and implementation)



4. Number of Statutory Auditors

The number of Statutory Auditors will be based upon the criteria prescribed by Reserve Bank of India in this matter.

The present directive is to appoint joint Auditors since the asset size of the Company is more than ₹15000 cr. as at the end of previous year, as per RBI Regulations.

5. Period of Appointment,

The Auditors shall be appointed for such number of years as prescribed by Reserve Bank of India.

As per the present directive, the Company is required to appoint Joint Auditors from the Financial year 2021-22 for a period of 3 years with a mandatory cooling off period of 6 years

6. Eligibility for Appointment & Method of Selection

The Company will broadly follow the following method of selection and appointment of Auditors

- (a) Eligibility criteria for appointment in terms of RBI Regulations:
- (b) experience in BFSI,
- (c) Firms which have an office preferably in Chennai with adequate resources
- (d) experience in audit of Listed Companies..
- (e) Discussions with eligible firms.

After considering the above factors the Audit Committee will select the auditors and recommend to the Board for approval after which shareholders' approval will be sought.

