



SITAL

LEASING AND FINANCE LIMITED
(An ISO 9001:2015 Certified Company)

CIN : L65910HR1983PLC050169
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Regd. Off. :
322, 3rd Floor, SS Plaza Commercial Complex,
Myfield Garden, Sector-47,
Gurugram, Haryana - 122001

CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED IN THE MEETING OF BOARD OF DIRECTORS OF M/S SITAL LEASING & FINANCE LIMITED HELD ON 21ST MAY, 2025 AT 4.00 PM AT REGISTERED OFFICE AT 322, 3RD FLOOR, SS PLAZA COMMERCIAL COMPLEX, MAYFIELD GARDEN, SECTOR 47, GURGAON, HARYANA-122001.

RESOLUTION: ADOPTION OF COMPLIANCE FUNCTION POLICY.

WHERE AS the company is a registered NBFC company which falls under the Middle Layer of RBI's Scale Based Regulation. The Scale Based Regulation acknowledges the critical role of the compliance function in the overall structure for effective Corporate Governance. Therefore, certain principles, procedures and standards of compliance function and role of Chief Compliance officer in NBFC are introduced keeping in view the principles of proportionality.

WHEREAS AS the RBI vide Circular No. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on Scale Based Regulation, the Reserve Bank of India (RBI) has issued a circular on April 11, 2022 defining an independent Compliance Function and Role of a Chief Compliance Officer (CCO) in Non-Banking Financial Companies (NBFCs).

RESOLVED THAT the Board of Directors be and are hereby adopted the Compliance Function Policy as its being required to have this policy in order to have proper mechanism to ensure compliances pertaining to the RBI laws as applicable to the company. This policy is formulated keeping in view of the compliance of this guidelines.

RESOLVED FURTHER THAT any directors of the company be and is hereby authorized to do all such acts, deeds and things that are necessary to give effect to the said Resolution.

CERTIFIED TRUE COPY

For Sital Leasing & Finance Limited


Surendra Kumar Jain
(Managing Director)

DIN: 00530035

**Address: 555, Double Storey
New Rajinder Nagar
New Delhi- 110060**



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COMPLIANCE FUNCTION POLICY

INTRODUCTION

The Sital Leasing and Finance Limited, is a RBI registered Non-Banking Financial Company categorized as ND-ICC and listed public company at Metropolitan Stock Exchange of India Limited. It is a company with a fresh new approach both in Traditional and Emerging Financial Markets. The company is duly managed by a strong team of professionals and experienced Board of Directors & Promoters.

The Sital Leasing and Finance Limited is poised for rapid growth. The Unique Experience and insight of its Management allows the company to discover new opportunities and reveal their true potential. Growth and money cannot sustain an organization for as long as uniqueness and excellence can. Keeping this in mind Sital Leasing and Finance Limited delivers value and commitment based on highest professional standards.

In short, the idea of formation of 'SLFL' is to doing business of a Lending Loans & Advances and sale/purchase of equity shares and investments in India. The company is in the business of trading of shares and related service businesses.

Considering the RBI Circular no. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on Scale Based Regulation, the Reserve Bank of India (RBI) has issued a circular on April 11, 2022 defining an independent Compliance Function and Role of a Chief Compliance Officer (CCO) in Non-Banking Financial Companies (NBFCs).

'SLFL' is a Systemically Important Non-Deposit Taking (NDSI) NBFC which falls under the Middle Layer of RBI's Scale Based Regulation. The Scale Based Regulation acknowledges the critical role of the compliance function in the overall structure for effective Corporate Governance. Therefore, certain principles, procedures and standards of compliance function and role of Chief Compliance officer in NBFC are introduced keeping in view the principles of proportionality.

The company being an NBFC is required to have the compliance function in order to have proper mechanism to ensure compliances pertaining to the RBI laws as applicable to the company. **This policy is formulated keeping in view of the compliance of this guidelines.**

We have years of experience in providing financial services to our clients. Our experts carefully analyses the current situation and accordingly prepare the project reports. Loan arrangement needs are also well taken care by us within credit limit, term loan and project loan.

OBJECTIVE

The Company focuses on achieving long-term capital growth while preserving shareholders' capital. Capital is allocated to internally and externally manage quoted equities, unquoted direct investments and unquoted fund investments, as well as real assets, absolute return & credit, government bonds and currency.

- i. To deliver long-term capital growth, while preserving shareholders' capital.
- ii. To invest without the constraints of a formal benchmark, but to deliver for shareholders increases in capital value in excess of the relevant indices over time



SCOPE AND COVERAGE OF COMPLIANCE FUNCTION

Compliance Function shall ensure strict observance of all statutory and regulatory 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 of 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 to the routine business model of the company.

RESPONSIBILITY OF THE BOARD AND SENIOR MANAGEMENT

The Board of Directors (BOD) 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 BOD. The BOD 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.

The company's Senior Management shall do all the necessary to identify and manage compliance risk through all levels of the organization. Whenever breaches are identified, Senior Management shall take appropriate remedial or disciplinary action.

COMPLIANCE FUNCTIONS

Compliance Functions shall have the following activities at the minimum:

- a. Assist the Board and the Senior Management in overseeing the implementation of Compliance Policy, including policies and procedures, prescriptions in Compliance Manuals, internal codes of conduct, etc.
- b. Play the central role in identifying the level of Compliance risk in the company. The Compliance risks in existing/ new products and processes shall be analyzed and appropriate risk mitigates put in place.
- c. Compliance Function shall monitor that all guidelines and regulations issued by the concerned regulators shall be strictly complied with in letter and spirit.
- d. Ensure compliance of regulatory/ supervisory directions given by RBI and Risk Mitigation Plan (RMP) / Monitor able Action Plan (MAP) in both letter and spirit in the best possible manner.
- e. Attend to compliance with directions from other regulators in cases where the activities of the company are not limited to the regulation/supervision of RBI. Further, discomfort conveyed to the company on any issue by other regulators, and action taken by any other authorities / law enforcement agencies, shall be brought to the notice of RBI.
- f. The Compliance Department may also serve as a reference point for the staff from operational departments for seeking clarifications / interpretation of various regulatory and statutory guidelines.

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 organization hierarchy as per the requirement of the RBI Scale Based Regulation issued vide Circular no. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 and the Circular on Compliance Function and Role of Chief Compliance Officer (CCO) vide Circular No. Ref. No. DoS. CO. PPG. /SEC. 01/11.01.005/2022- 23 dated April 11, 2022.



ROLES, RESPONSIBILITIES AND POWERS OF THE CHIEF COMPLIANCE OFFICER

The Chief Compliance Officer (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 Circulars, Directions and Circulars, RBI Guidelines and other RBI notification as may be applicable to the company from time to time.

The CCO shall be the nodal point of contact between the company and the regulators / supervisors and shall necessarily be a participant in the structured or other regular discussions held with RBI. Further, compliance/replies to RBI inspection reports shall be communicated to RBI necessarily through the office of the Compliance Function.

The CCO shall have direct reporting lines to the Managing Director of the company.

The CCO shall report to the Board of Directors of the instances of any non-compliances occurred or failure in the compliance system.

The CCO and Compliance 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 issues. This authority shall flow from the Compliance Policy of the company.

The CCO shall not be given any responsibility which brings elements of conflict of interest, especially any role relating to business. The CCO shall generally not be a member of any committee which conflicts her / his role as CCO with responsibility as a member of the committee, including any committee dealing with sanctions. In case the CCO is a member of any such committee that would only be an advisory role.

The responsibilities of the CCO shall broadly include the following aspects:

- a. Taking of measures to ensure the independence of the Compliance Function and its right to freely disclose findings and views to senior management, Board including;
- b. Focus on various regulatory and statutory Compliance requirements;
- c. Monitoring mechanism for overall Compliance procedure;
- d. Reporting requirements, including Compliance risk assessment and change in risk profile, etc. to the Senior Management and to the Board;
- e. To access to relevant information 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 issues;
- f. Dissemination of information on regulatory prescriptions and guidelines among staff and periodic updating of operational manuals; and
- g. Taking approval of the Board for all new products by the Compliance Department, prior to their introduction.

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 keeping in view the business model of the company as and when required.

