

HMT FINANCE PRIVATE LIMITED**ASSET LIABILITY MANAGEMENT (ALM) POLICY**

(As approved by the Board of Directors)

1. OBJECTIVE

The objective of this Asset Liability Management (ALM) Policy is to establish a robust framework for managing liquidity risk, interest rate risk, and funding risk to ensure that the Company maintains a stable balance between its assets and liabilities.

This policy ensures compliance with the Reserve Bank of India (RBI) Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, and the RBI Scale Based Regulatory Framework (SBR) for NBFCs (2021) and Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 as applicable to Base Layer NBFCs.

2. SCOPE AND APPLICABILITY

This policy shall apply to the entire balance sheet and off-balance sheet exposures of HMT Finance Private Limited, including but not limited to:

- All lending products
- Borrowings and funding arrangements
- Investments
- Other activities having liquidity or interest rate implications

3. OBJECTIVES OF ALM FRAMEWORK

The key objectives are:

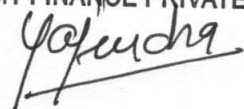
- To ensure adequate liquidity at all times for business operations and obligations.
- To manage interest rate risk, liquidity risk, and funding concentration risk.
- To ensure compliance with RBI's Asset Liability Management (ALM) guidelines.
- To monitor the maturity profile of assets and liabilities.
- To enhance the Company's overall financial stability.

4. REGULATORY REFERENCES

This policy is aligned with:

- RBI Master Direction – NBFC-ND (2016)
- RBI Circular DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014
- RBI Master Circular on "Monitoring of Financial Conglomerates"
- Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025
- RBI notifications and clarifications issued from time to time

For HMT FINANCE PRIVATE LIMITED



Director

5. GOVERNANCE STRUCTURE

The Board of Directors shall have ultimate oversight over the Asset Liability Management framework and shall be responsible for policy approval, monitoring of implementation, and periodic review of associated risks.

6. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors shall:

- Monitor and manage the maturity and liquidity profile of assets and liabilities.
- Review interest rate movements, cost of funds, and pricing of loans.
- Set and monitor prudential limits for mismatches across time buckets.
- Approve funding strategies, sources of borrowings, and deployment of surplus funds.
- Review stress testing results and ensure corrective action where required.
- Meet at least once every quarter, or more frequently if required, to review ALM reports and related risks.

7. MEASUREMENT OF RISKS

(a) Liquidity Risk

Liquidity risk arises when the Company is unable to meet its obligations as they fall due. It shall be measured and monitored through:

- Maturity gap analysis
- Cash flow projections
- Cumulative mismatch limits for various time buckets
- Contingency funding plan

(b) Interest Rate Risk

Interest rate risk arises from movements in interest rates affecting profitability. It shall be monitored through:

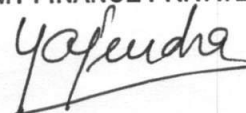
- Periodic review of lending and borrowing rates
- Duration and repricing gap analysis
- Scenario-based sensitivity analysis

8. CONTINGENCY FUNDING PLAN (CFP)

The Company shall maintain a Contingency Funding Plan to address potential liquidity stress situations, which shall include:

- Maintaining adequate liquid assets and credit lines
- Diversifying funding sources
- Maintaining relationships with multiple lenders
- Stress testing liquidity position under adverse scenarios

For HMT FINANCE PRIVATE LIMITED



Director

9. INTEREST RATE SENSITIVITY

The Company shall periodically review:

- Loan and borrowing repricing intervals
- Exposure to fixed vs. floating rate instruments
- Potential impact of interest rate changes on profitability

10. REPORTING FRAMEWORK

- ALM statements shall be prepared monthly and reviewed by the Board.
- The Board shall review a quarterly ALM summary report and approve necessary corrective actions.
- Significant mismatches or liquidity concerns shall be immediately reported to the Board.

11. STRESS TESTING

The Company shall conduct stress tests at regular intervals to assess resilience under adverse liquidity and interest rate scenarios.

Stress testing shall include:

- Sudden increase in NPAs
- Delay in borrower repayments
- Reduction in funding sources
- Interest rate shocks

12. POLICY REVIEW AND UPDATES

This policy shall be reviewed annually or earlier if required due to regulatory changes or business developments.

13. APPROVAL

This Asset Liability Management Policy was approved by the Board of Directors of *HMT Finance Private Limited* at its meeting held on 4th December 2025.

For HMT FINANCE PRIVATE LIMITED



Director