



## **HMT FINANCE PRIVATE LIMITED**

### **COMPLIANCE POLICY**

(As approved by the Board of Directors)

#### **1. OBJECTIVE AND PURPOSE**

The objective of this Compliance Policy is to establish a sound framework for ensuring adherence to all regulatory, statutory, and internal requirements applicable to HMT Finance Private Limited ("the Company").

This policy is designed to ensure the Company's compliance culture aligns with the Reserve Bank of India (RBI) directives, laws, and internal ethical standards, thereby minimizing compliance risks and protecting stakeholder interests.

#### **2. REGULATORY FRAMEWORK AND APPLICABILITY**

This policy is framed in accordance with:

- RBI Scale Based Regulation (SBR) Framework for NBFCs, 2021.
- Companies Act, 2013 and related rules.

This policy applies to all departments, branches, and employees of the Company.

#### **3. SCOPE**

This policy applies to all functional areas of the Company including credit, finance, treasury, IT, HR, legal, operations, and risk management, ensuring compliance with all applicable laws, regulations, and internal policies.

#### **4. GOVERNANCE STRUCTURE**

The governance of compliance within HMT Finance Private Limited is as follows:

- Board of Directors: Holds ultimate responsibility for compliance oversight.
- Departmental Heads: Ensure functional compliance with applicable laws and policies within their domains.

#### **5. ROLES AND RESPONSIBILITIES**

##### **Board of Directors:**

- Approves and periodically reviews the Compliance Policy.
- Reviews compliance reports and takes corrective action.

For HMT FINANCE PRIVATE LIMITED

Director



**Departmental Heads:**

- Ensure implementation of compliance requirements within their functions.
- Escalate potential non-compliance or breaches to the Board of Directors.

**All Employees:**

- Must comply with all internal policies and regulatory requirements.
- Promptly report any observed or potential breaches.

**6. COMPLIANCE RISK MANAGEMENT**

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation. The Company adopts a proactive approach to compliance risk management through:

- **Proactive Monitoring:** Tracking all regulatory and legal updates.
- **Risk Assessment:** Conducting periodic audits and vulnerability checks.
- **Mitigation:** Implementing swift controls and corrective actions.

**7. MONITORING AND REPORTING FRAMEWORK**

The Board shall maintain a robust oversight system to track compliance across all departments. All significant regulatory updates, material breaches, or lapses must be reported to the Board immediately to ensure timely remediation.

**8. REGULATORY RETURNS AND RBI SUBMISSIONS**

The Company is committed to the timely and accurate filing of all statutory returns. The submission framework includes:

- DNBS returns
- CIC, and FIU reporting
- Any other returns or certifications prescribed by the RBI or other statutory authorities under the Scale Based Regulation framework.

**9. BREACH MANAGEMENT AND ESCALATION PROCEDURE**

In case of any breach, delay, or non-compliance:

- The Board of Directors shall record and investigate the incident.
- Immediate corrective measures shall be initiated.

For HMT FINANCE PRIVATE LIMITED

Director



- A root cause analysis report shall be submitted to the Board.
- Material breaches shall be reported to the RBI promptly.

#### **10. TRAINING AND AWARENESS**

The Company shall conduct periodic compliance and regulatory awareness programs for employees to reinforce a compliance-oriented culture across all levels.

#### **11. POLICY REVIEW AND AMENDMENT**

This policy shall be reviewed annually or earlier in case of significant regulatory or operational changes. The Board of Directors can make any amendments as and when required.

#### **12. APPROVAL CLAUSE**

This Compliance Policy was approved by the Board of Directors of HMT Finance Private Limited at its meeting held on 17<sup>th</sup> October 2022.

For HMT FINANCE PRIVATE LIMITED

A handwritten signature in black ink, appearing to read 'Yajendra', written over the printed text 'For HMT FINANCE PRIVATE LIMITED'.

Director