# CORPORATE GOVERNANCE CODE

OF

# HDB FINANCIAL SERVICES LIMITED

[CIN: L65993GJ2007PLC051028]

July 2026

## HDB CORPORATE GOVERNANCE CODE

### 1. CORPORATE GOVERNANCE

Corporate Governance means the system of rules, practices and processes by which a company is administered and controlled. It involves balancing the interests of the various stakeholders of the company including shareholders, employees, customers, suppliers, financiers, government and the community within which it operates. This corporate governance code will help the Company in attaining its objectives/goals, since it encompasses every sphere of operations, management, action plans, internal controls, performance measurement and regulatory disclosure.

### 2. OBJECTIVE

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders. The philosophy has strong emphasis on transparency, accountability and integrity.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] and Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 No. RBI/DOR/2025-26/344 DOR.GOV.REC.No.263/18-10-013/2025-26 dated November 28, 2025 directed NBFCs to frame internal guidelines on corporate governance approved by the Board of Directors. Accordingly, this Corporate Governance Code of HDB Financial Services Limited ("the Company") is framed in the spirit of the said Master Direction of RBI and is approved by the Board of Directors of Company.

### BOARD OF DIRECTORS

2.1 The current composition of the board is detailed below:

| # | Name of the Director | Designation |
|---|---|---|
| 1 | Mr. Natarajan Srinivasan | Non-Executive Chairman and Independent Director |
| 2 | Dr. Amla Samanta | Non-Executive & Independent Director |
| 3 | Mr. Adayapalam Viswanathan | Non-Executive & Independent Director |
| 4 | Ms. Arundhati Mech | Non-Executive & Independent Director |
| 5 | Mr. Jayesh Chakravarthi | Non-Executive & Independent Director |
| 6 | Mr. Jayant Gokhale | Non-Executive & Independent Director |
| 7 | Mr. Bhaskar Sharma | Non-Executive & Independent Director |
| 8 | Mr. Ramesh G. | Managing Director & Chief Executive Officer |

2.2 As per the Company's Articles of Association and the number of Directors of the Company shall be not less than 6 (six) and not more than such number as is prescribed under applicable law. As per Regulation 17(1)(c) of Listing Regulations, the board of directors of the top 2000 listed entities shall comprise of not less than six directors.

2.3 The Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive directors, with at least one-woman director and not less than fifty percent of them being Non- Executive Directors. In case of a Non-Executive Chairperson, at least one-third of the Board should consist of Independent Directors and, in case of an Executive Chairperson, half of the Board should consist of Independent Directors. Further, where the Non- Executive Chairperson is a promoter of the Company or is related to any promoter or person occupying management positions at the level of Board of Director or at one level below the board of directors, at least half of the Board of Directors of the Company shall consist of Independent Directors.

2.4 Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a prior special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

2.5 Company shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a Manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. If such appointment or re-appointment of a person to the board of directors or as a manager is subject to approval of regulatory, government or statutory authorities, then the time taken to receive such approvals shall be excluded for this purpose. The requirements specified in this provision shall not be applicable to appointment or re-appointment of a person nominated by a financial sector regulator, Court or Tribunal to the board of the listed entity.

Further, the appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders. The statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a detailed explanation and justification by the Nomination and Remuneration Committee and the Board of directors for recommending such a person for appointment or re-appointment.

2.6 The continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be. Further, the requirement specified in this sub-regulation shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with. Further, the requirement specified in this sub-regulation shall not be applicable to the director appointed pursuant to the order of a Court or a Tribunal or to a nominee director of the Government on the board of a listed entity, other than a public sector company, or to a nominee director of a financial sector regulator on the board of a listed entity. Further, the requirement specified in this sub-regulation shall not be applicable to a director nominated by a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in its normal course of business or nominated by a Debenture Trustee registered with the Board under a subscription agreement for the debentures issued by the listed entity.

2.7 Company shall fill, any vacancy in the office of a director at the earliest and in any case not later than three months from the date of such vacancy. If the vacancy in the office of a director results in non-compliance with the provisions of sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub-regulation (2) or (3) of regulation 21 of the listing regulations, the listed entity shall ensure compliance at the earliest and in any case not later than three months from the date of such vacancy. If the listed entity becomes non-compliant with the requirement under regulation 17(1), sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub-regulation (2) or (3) of regulation 21 of the listing regulations, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated. Further, above provision shall not apply if the listed entity fulfils the requirement under regulation 17(1), sub-regulation (1) of regulation 18, sub-regulation (1) and (2) of regulation 19, sub regulation (2) and (2A) of regulation 20 and sub-regulation (2) and (3) of regulation 21 without filling the vacancy.

2.8 A Director shall not hold the office of Director in more than 20 companies including maximum of 10 public limited companies. *Explanation* - Private companies which are subsidiaries of a public limited company shall be counted as a public company. All the Directors shall make the necessary annual disclosure regarding their directorships and Committee positions and shall intimate changes as and when they take place. While reckoning the limit of directorships of twenty companies, the directorship in a dormant company shall not be included.

2.9. A Director shall not be a director in more than seven listed companies. Further, a Director shall not serve as an independent director in more than seven listed companies. An Independent Director shall not be on the Board of more than three Middle Layer Non-Banking Financial Company or Upper Layer Non-Banking Financial Company at the same time. The Company should ensure that no conflict would arise on account of the independent directors being appointed on the Board of another NBFC at the same time. There shall be no restriction to directorship on the Boards of NBFCs - BL, subject to provisions of Companies Act, 2013. Furthermore, any Independent Director of the Company, who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities. **Explanation** - The count for the number of listed entities on which a person is a director / independent director shall be cumulative of those whose equity shares are listed on a stock exchange and 'high value debt listed entities'. Further, the directorship(s) held by a person on an ex-officio basis due to statute or applicable contractual framework in case of public sector undertakings and entities set up under a public private partnership arrangement shall not be included in calculating the maximum number of directorships

## 3. CONSTITUTION OF COMMITTEES

3.1. **AUDIT COMMITTEE:** The constitution of this Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and RBI Master Direction No. RBI/DOR/2025-26/344 DOR.GOV.REC.No.263/18-10-013/2025-26 dated November 28, 2025 on Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Audit Committee shall comprise of at least three directors and at least two-thirds of the members of Audit Committee shall be Independent Directors.<br><br>All members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.<br><br>The Chairperson of the Audit Committee shall be an Independent Director and he shall be present at Annual General Meeting to answer shareholder queries.<br><br>The Company Secretary shall act as the Secretary to the Audit Committee. |
| **Quorum** | The quorum at a meeting of the Audit Committee shall be either two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors in attendance. |
| **Meetings** | The Audit Committee shall meet at least four times in a financial year and not more than one hundred and twenty days shall elapse between two meetings.<br><br>The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard at the meetings of the Audit Committee when it considers the Auditor's Report but shall not have the right to vote. |
| **Invitees** | The Chief Financial Officer, Internal Auditor and a representative of the Statutory Auditor may be the invitees to the Committee Meeting, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Powers** | The Audit Committee shall act and have powers in accordance with the terms of reference specified in writing, by the Board, which shall inter alia include the following:<br><br>a) To investigate any activity within its terms of reference.<br>b) To seek information from any employee.<br>c) To obtain outside legal or other professional advice.<br>d) To secure attendance of outsiders with relevant expertise, if so considered necessary.<br>e) To have full access to the information contained in the records of the Company |
| **Responsibilities** | 1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;<br>2. Recommending the appointment, remuneration and terms of appointment of the auditors of the Company; |

| | |
|---|---|
| | 3. Approving payments to statutory auditors for any other services rendered by the statutory auditors;<br>4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:<br>(a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;<br>(b) Changes, if any, in accounting policies and practices and reasons for the same;<br>(c) Major accounting entries involving estimates based on the exercise of judgment by management;<br>(d) Significant adjustments made in the financial statements arising out of audit findings;<br>(e) Compliance with listing and other legal requirements relating to financial statements;<br>(f) Disclosure of any related party transactions; and<br>(g) Modified opinion(s) in the draft audit report.<br>5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;<br>6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;<br>7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;<br>8. Review/Approval or any subsequent modifications of transactions of the Company with related parties including review of Minimum information as placed before the Committee in accordance with RPT Industry Standards;<br>9. To consider the certificates provided by the CEO/Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards;<br>10. Scrutinising of inter-corporate loans and investments;<br>11. Valuation of undertakings or assets of the Company, wherever it is necessary;<br>12. Evaluating internal financial controls and risk management systems;<br>13. Monitoring the end use of funds raised through public offers and related matters;<br>14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;<br>15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing |

| | |
|---|---|
| | and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;<br>16. Discussing with internal auditors on any significant findings and follow up there on;<br>17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;<br>18. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;<br>19. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;<br>20. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;<br>21. Reviewing the functioning of the whistle blower mechanism;<br>22. Approving the appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;<br>23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;<br>24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;<br>25. Ensuring that an information system audit of the internal systems and processes is conducted on yearly basis to assess operational risks faced by the Company;<br>26. Monitoring the system of internal audit of all outsourced activities;<br>27. Reviewing the ageing analysis of entries pending reconciliation with outsourced vendors and make efforts to reduce the old outstanding items therein at the earliest;<br>28. Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the SEBI Listing Regulations, RBI Master Directions, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority;<br>29. Approving adjustments to the ECL model output (i.e. a management overlay), if any;<br>30. Periodic review of the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection should these occur. The review shall focus on identifying root causes of wilful default and addressing deficiencies, if any, in the wilful defaulter classification process adopted by the Company; and<br>31. Authority to deal with or investigate into any matter in relation to the items herein or referred to it by the Board of Directors of the |

| | |
|---|---|
| | Company, Reserve Bank of India, Securities Exchange Board of India and recognized Stock Exchange, and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company. |
| **Reviewing Powers** | The Audit Committee shall mandatorily review the following information:<br>1. Management's discussion and analysis of financial condition and results of operations;<br>2. Management letters / letters of internal control weaknesses issued by the statutory auditors;<br>3. Internal audit reports relating to internal control weaknesses;<br>4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and<br>5. Statement of deviations:<br>(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and<br>(b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations. |

3.2. **NOMINATION AND REMUNERATION COMMITTEE:** This Committee is constituted in compliance with the provisions of Section 178 of the Companies Act, 2013, RBI Master Direction No. RBI/DOR/2025-26/344 DOR.GOV.REC.No.263/18-10-013/2025-26 dated November 28, 2025 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a Board approved Nomination and Remuneration Policy in place and required disclosures to that effect are made from time to time. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Nomination and Remuneration Committee (**"NRC"**) shall consist of three or more non-executive directors out of which at least two-thirds of the directors shall be independent directors. All directors of the Committee shall be non-executive directors<br><br>The members of NRC shall elect a Chairperson from amongst themselves, who shall necessarily be an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the NRC but shall not chair the said Committee.<br><br>The Chairperson of the committee or, in his absence, any other member of the committee authorised by Chairperson in this behalf shall attend the Annual General Meetings of the company.<br><br>The Company Secretary shall act as the Secretary to the Committee Meetings. |
| **Invitees** | The Chief – People & Operations, Head - Human Resources may be invitees to the Committee Meeting, wherever necessary. |

| | |
|---|---|
| | Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Quorum** | The quorum for a meeting of the NRC shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. |
| **Meetings** | The Nomination and Remuneration Committee shall meet at least once in a financial year. |
| **Responsibilities** | 1. NRC need to have the mandate to oversee the framing, review and implementation of Board-approved Nomination & Remuneration policy.<br>2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a Policy relating to, the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, following to be ensured:<br>(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;<br>(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and<br>(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;<br>3. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:<br>(a) use the services of an external agencies, if required;<br>(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and<br>(c) consider the time commitments of the candidates.<br>4. Formulating criteria for evaluation of the performance of the independent directors and the Board;<br>5. Devising a policy on Board diversity;<br>6. Ensuring ‘fit and proper’ status of the proposed and existing directors and scrutinizing the declarations received by the directors in this regard;<br>7. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;<br>8. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; |

| | |
|---|---|
| | 9. Recommend to the Board, all remuneration, in whatever form, payable to senior management;<br>10. Manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance;<br>11. Granting stock options to the employees in the form of equity shares of the Company and also consider any other compensation related issues or matters relating to the company's employees;<br>12. May work in close coordination with the Risk Management Committee to achieve effective alignment between compensation and risks;<br>13. Ensuring that compensation levels are supported by the need to retain earnings of the NBFC and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).<br>14. Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, the RBI Directions, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority. |

3.3. **STAKEHOLDERS RELATIONSHIP COMMITTEE:** This Committee is constituted in compliance with the provisions of Sub-Section (5) of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Stakeholders Relationship Committee shall comprise of at least three directors, with at least one being an independent director.<br><br>The members of Stakeholders Relationship Committee shall elect a Chairperson from amongst themselves, who shall chair the said Committee.<br><br>The Chairperson of Stakeholders Relationship Committee shall be a non-executive director and shall be present at the Annual General Meeting to answer queries of the security holders.<br><br>The Company Secretary shall act as the Secretary to the Committee. |
| **Quorum** | The quorum at the meeting of the Stakeholders Relationship Committee shall be either two members or one-third of the total strength of the Committee, whichever is higher. |
| **Meetings** | The Stakeholders Relationship Committee shall meet at least once in a financial year and at such other intervals as may be required. |
| **Invitees** | The Chief Financial Officer may be the invitee to the Committee Meeting, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the |

| | |
|---|---|
| | discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Responsibilities** | (i) Resolving the grievances/ requests of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates on sub-division/ split/ consolidation/ renewal/ re-materialisation, general meetings and such other investor-related matters;<br>(ii) Noting of investor service requests relating to transfer/ transmission, sub-division/ splitting and consolidation of securities certificate, issue of letter of confirmation, claim from unclaimed suspense account, and to consider and approve requests for dematerialization and re-materialization of shares including coordination with depositories, depository participants and Registrar and Share Transfer Agents in compliance with applicable laws, SEBI guidelines and provisions of Companies Act, 2013<br>(iii) Review of measures taken for effective exercise of voting rights by shareholders;<br>(iv) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent;<br>(v) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;<br>(vi) To specifically look into various aspects of interest of shareholders, debenture holders and other security holders of the Company.<br>(vii) Monitoring and resolving grievances of debenture holders including matters relating to creation of charge, payment of interest and principal, maintenance of security cover and compliance with other covenants.<br>(viii) Noting of allotment of shares to the employees of the Company pursuant to exercise of stock options granted under the various Employee Stock Option Schemes;<br>(ix) Noting details of dividend paid or unpaid transfer of unpaid dividend and underlying securities to Investor Education and Protection Fund and claims therefrom;<br>(x) Noting investor engagement initiatives, if any, and significant movement in shareholdings and ownership structure of the Company;<br>(xi) Performing such other functions as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, RBI Master Directions, Depositories Act and rules, regulations, guidelines, circulars, clarifications, and notifications issued by the Government of India,the Securities and Exchange Board of India, the Reserve Bank of India or any other statutory and regulatory authority. |

3.4. **RISK MANAGEMENT COMMITTEE:** This Committee is constituted in compliance with the provisions of the Companies Act, 2013, Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and RBI Master Direction No. RBI/DOR/2025-26/344 DOR.GOV.REC.No.263/18-10-013/2025-26 dated November 28, 2025. The Company has a Board approved Risk Management Policy in place and required disclosures to the effect are made from time to time. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.<br><br>The Chairperson of the Risk Management Committee shall be a member of the board of directors and senior executives of the Company may be members of the committee.<br><br>The members of Risk Management Committee shall elect a Chairperson from amongst themselves, who shall chair the said Committee.<br><br>The Company Secretary shall act as the Secretary to the Committee Meetings. |
| **Quorum** | The quorum at the meeting of the Risk Management Committee shall be either two members or one-third of the total strengthof the Risk Management Committee, whichever is higher, including at least one member of the board of directors in attendance. |
| **Meetings** | This Committee shall meet on quarterly basis and minimum 4 such meetings be held in a financial year. |
| Invitees | The Chairman of Information Technology Strategy Committee, Chief Risk Officer, Chief Credit Officer, Chief Technology Officer, Chief Compliance Officer, Chief Digital & Marketing Officer, Chief Information Security Officer and Head – Regulatory Compliance may be invitees to the Committee Meeting, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Responsibilities** | 1. Approving and monitoring the Company's risk management policies and procedures;<br>2. Framing, implementing, reviewing and monitoring the risk management plan including cyber security for the Company.<br>3. Evaluating the overall risks faced by the Company including liquidity risk interest rate risk, currency risk, compliance risk, IT risk, cyber security risk, operational risk etc.<br>4. Formulating a detailed Risk Management Policy which shall include:<br>o A framework for identification of internal and external risks specifically faced by the Company, including, inter-alia, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; |

| | |
|---|---|
| | o Measures for risk mitigation including systems and processes for internal control of identified risks;<br>o Business Continuity Plan;<br>5. Ensuring that appropriate methodologies, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;<br>6. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;<br>7. Periodically reviewing the Risk Management Policy, at least once in every financial year, including by considering the changing industry dynamics and evolving complexity;<br>8. Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;<br>9. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.<br>10. Approving and reviewing the Asset Classification and Expected Credit Loss (ECL) Policy.<br>11. Review IT Risk assessment of the Company's IT systems<br>12. Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements;<br>13. Laying down appropriate approval authorities for outsourcing depending on risks and materiality;<br>14. Setting up suitable administrative framework of senior management for the purpose of the Master Directions;<br>15. Undertaking regular review of outsourcing strategies and arrangements for their continued relevance, and safety and soundness;<br>16. Deciding on business activities of a material nature to be outsourced, and approving such arrangements.<br>17. Reporting to the Board of Directors of the Company on periodical basis on the status of review of Risk Governance;<br>18. Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, the RBI Master Directions, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority.<br>19. Prepare an enterprise-wide Risk Matrix, reviewing and monitoring risk migration, if any<br>20. Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, the RBI Master Directions, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority. |

| | |
|---|---|
| | 21. Reviewing and sanctioning loans or credit facilities to related parties, in accordance with the provisions of the RBI (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025. |

3.5. **CORPORATE SOCIAL RESPONSIBILITY AND ESG COMMITTEE:** This Committee is constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The Company has a Board approved CSR Policy in place and required disclosures to the effect are made from time to time. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | In terms of Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.<br><br>The members of CSR and ESG Committee shall elect a Chairperson from amongst themselves. The Committee shall consist of minimum one (1) Independent Director.<br>The Company Secretary shall act as the Secretary to the Committee Meetings. |
| **Quorum** | The quorum for transacting business of CSR & ESG Committee shall be at least two or one-third of the total strength of the Committee, whichever is higher. |
| **Meetings** | The Corporate Social Responsibility and ESG Committee shall meet thrice in a financial year. |
| **Invitee** | Chief – People & Operations, Lead – CSR may be the invitees to the Committee Meeting, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants, as they deem necessary or appropriate to attend and contribute to Committee meetings |
| **Responsibilities** | 1. To formulate and recommend to the Board the Company's ESG and CSR strategy, policy which shall include the activities to be undertaken by the company in areas and subject as specified in Schedule VII of the Companies Act, 2013 and to review and update them from time to time as the Company's activities evolve further.<br>2. To monitor the Company's CSR & ESG policy and performance. The CSR & ESG Committee shall institute a transparent monitoring mechanism for implementation of all activities including CSR projects & programs, undertaken by the company.<br>3. Recommend the amount of expenditure to be incurred on the CSR activities in accordance with the provisions of the Companies Act, 2013 and applicable rules.<br>4. Periodically review the progress and effectiveness of ESG and CSR project, programmes and initiatives.<br>5. Ensure compliance with all applicable legal, statutory and |

| | |
|---|---|
| | regulatory requirements relating to CSR and ESG, including those prescribed under the Companies Act, 2013 and other relevant laws.<br>6. Oversee reporting and disclosures relating to ESG and CSR initatives and ensure appropriate communication with stakeholders.<br>7. Formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR Policy, as required under applicable laws;<br>8. Perform all such actions as may be required under the Companies Act, 2013, rules made thereunder, and other applicable regulatory frameworks;<br>9. Monitor the Company's ESG Framework, including strategy, goals, key metrics and disclosures. |

3.6. **INFORMATION TECHNOLOGY STRATEGY COMMITTEE (ITSC):** This Committee is constituted in compliance with the provisions of RBI Master Direction No. RBI/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 7, 2023 on Information Technology Governance, Risk, Controls and Assurance Practices. The Company has a Board approved Information Technology Apex Policy and Information & Cyber Security Policy in place and required disclosures to the effect are made from time to time. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The ITSC is consisted of minimum of three directors as members of ITSC. The Chairperson of the ITSC shall be an independent director and he /she has substantial IT expertise in managing/ guiding information technology initiatives; and members of the Committee are technically competent.<br><br>The Company Secretary shall act as the Secretary to the Committee Meeting. |
| **Quorum** | The quorum for transacting business at a meeting of the Committee shall be at least two or one-third of the members of the Committee, whichever is higher. |
| **Meetings** | The Committee shall meet at least on a quarterly basis. |
| **Invitees** | The Chief Risk Officer, Chief Technology Officer, Chief Digital & Marketing Officer, Chief Information Security Officer, Data Protection Officer and Head – IT & IS Operations may be invitees to the Committee Meeting, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Responsibilities** | 1. Ensure that the Company has put an effective IT strategic planning process in place.<br>2. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives.<br>3. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and |

| | |
|---|---|
| | efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation.<br>4. Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks.<br>5. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and<br>6. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company. |

3.7. **CUSTOMER SERVICE REVIEW COMMITTEE (CSRC):** the main purpose to constituting the Customer Service Review Committee (CSRC) is to oversee the functioning of the Customer Service Committee (CSR) and also to monitor and bring out continuous improvement in the quality of services rendered to the customers and thereby enhancing the customer satisfaction level across all categories. The Committee shall also bring out innovative measures for enhancing the customer experience and quality of customer service thereby enhancing the customer satisfaction level across all categories, at all times. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The CSRC shall consist of minimum of three directors as members. The Chairperson of the CSRC shall be an independent director.<br><br>The Company Secretary shall act as the Secretary to the Committee Meeting. |
| **Quorum** | One third of the total strength or two members, whichever higher shall form the quorum for the meeting. |
| **Meetings** | The Committee shall meet at least on a quarterly basis. |
| **Invitees** | Head – Customer Service, Internal Ombudsman, Chief Digital & Marketing Officer and Chief - People & Operations may be the invitees to the Committee Meeting, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Responsibilities** | 1. To review and monitor policies on customer rights, customer communication, etc.;<br>2. To review activities of executive committee of Customer Service (CSRC-E), in accordance with the guidelines laid down by RBI;<br>3. To review complaints based on categories and complaints received from RBI;<br>4. To review the status of settlement of claims<br>5. To review ongoing function, processes and process improvements; |

| | |
|---|---|
| | 6. To review & monitor ombudsman awards passed and obtain working of ombudsman;<br>7. To review & monitor the steps and remedial actions taken by the Company to reduce the customer complaints as well as review the reporting in regard to customer liability;<br>8. To carry out detailed review of the customer services/ customer care and initiate prompt corrective actions wherever service quality/ skill gaps are noticed. |

3.8. **SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW-UP OF CASES OF FRAUDS (SCBMF):** Pursuant to the RBI Master directions having reference no. RBI/DOS/2024-25/120, DOS.CO.FMG.SEC.No.7/23.04.001/2024-25, dated July 15, 2024, Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) ("RBI Master Directions"), all the Non-Banking Financial Companies (including Housing Finance Companies) in the Upper Layer, Middle Layer and in the Base Layer (with asset size of ₹500 crore and above shall constitute a Special Committee of the Board for Monitoring and Follow-up of cases of Frauds. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The SCBMF shall consist of minimum of three directors as members, consisting of the Chief Executive Officer and two Independent Directors. The Chairperson of the CSRC shall be an independent director.<br><br>The Company Secretary shall act as the Secretary to the Committee Meeting |
| **Quorum** | One third of the total strength or two members, whichever higher shall form the quorum for the meeting |
| **Meetings** | The Committee shall meet twice in a year |
| **Invitees** | Chief Credit Officer and National Risk Control Manager may be invitees to the Committee Meetings, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Responsibilities** | 1. To oversee the effectiveness of the fraud risk management in the Company.<br>2. To review and monitor cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds. The coverage and the periodicity of such reviews to be as per the Fraud Risk Management Policy of the Company. The coverage of such review may include, among others, categories/trends of frauds, industry/sectoral/ geographical concentration of frauds, delay in detection/classification of frauds and delay in examination/conclusion of staff accountability, etc.<br>3. To carry out any other role and responsibilities as mandated by the Board and/or any regulatory authority from time to time. |

3.9. **REVIEW COMMITTEE FOR IDENTIFICATION OF WILFUL DEFAULTERS:** The main purpose of Master directions on Treatment of Wilful Defaulters and Large Defaulters having reference no. RBI/DOR/2025-26/358 DOR.FIN.REC.No.277/20-16-003/2025-26 dated November 28, 2025 on wilful defaulters is to provide for a non-discriminatory and transparent procedure, having regard to the principles of natural justice, for classifying a borrower as a wilful defaulter by the lenders. The directions also aim to put in place a system to disseminate credit information about wilful defaulters for cautioning lenders to ensure that further institutional finance is not made available to them. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Committee shall consist minimum of three directors as members. The Committee shall comprise of the MD/ CEO as chairperson with two independent directors or non-executive directors or equivalent officials serving as members. The Review Committee shall not be comprised of members who are part of the Identification Committee.<br><br>The Company Secretary shall act as the Secretary to the Committee Meeting. |
| **Quorum** | One third of the total strength or two members, whichever higher shall form the quorum for the meeting. |
| **Meetings** | The Committee shall meet twice in a year or as and when required. |
| **Invitees** | Chief Credit Officer and National Risk Control Manager may be invitees to the Committee Meetings, wherever necessary.<br><br>Additionally, the Chairperson of the Committee reserves the discretionary authority to invite such additional participants as they deem necessary or appropriate to attend and contribute to Committee meetings. |
| **Responsibilities** | 1. To classify ‘Wilful Defaulters’ as proposed by Committee for Identification of Wilful Defaulters and pass a reasoned order;<br>2. To review the cases of wilful default periodically;<br>3. To consider written representation / other documents of borrower / guarantor / promoter / director / persons who are in charge and responsible for the management of the affairs of the entity, if any;<br>4. To provide an opportunity for a personal hearing of to the borrower / guarantor / promoter / director / persons who are in charge and responsible for the management of the affairs of the entity, wherever applicable;<br>5. To carry out such other roles and responsibilities as may be mandated by the Board and/or regulatory authorities from time to time. |

3.10. **In addition to the aforesaid Committees, the Company has constituted following management Committees:**

3.10.1 **ASSET-LIABILITY COMMITTEE (ALCO):** This Committee is constituted in compliance with the provisions of RBI Master Direction No. RBI/DoR/2025-26/355 DoR.LRG.REC.No.274/13-10-004/2025-26 dated November 28, 2025. The Company has a Board approved Asset-Liability Management Policy in place and required disclosures to the effect are made from time to time. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | As per the Reserve Bank of India guidelines on Asset-Liability Management (ALM) System in Non- Banking Financial Companies (NBFCs), it is necessary to constitute an Asset-Liability Committee (ALCO):<br>The Committee shall comprise of:<br>a. Managing Director & CEO – Chairperson<br>b. Chief Financial Officer<br>c. Chief Technology Officer<br>d. Chief Risk Officer<br>e. Chief Credit Officer<br><br>The Head of Treasury along with a representative from Treasury Operations shall be permanent invitees to the meetings.<br><br>The Company Secretary shall act as the Secretary to the Committee Meetings. |
| **Quorum** | Minimum of two members must be present to form the quorum.<br><br>The Committee may also include invitees, as decided by the Chairperson of the Committee as it considers appropriate to be present at the meetings of the Committee. |
| **Meetings** | This Committee shall meet at least once in a month. |
| **Responsibilities** | 1. To develop a process for identifying, measuring, monitoring and controlling liquidity risk and to clearly articulate a liquidity risk tolerance that is appropriate for its business strategy;<br>2. Be responsible for ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC.<br>3. To oversee the risk management policy/strategy of the Company relating to liquidity, interest rate and asset liability gap<br>4. To formulate and review Asset-Liability Management Policies of the Company.<br>5. Measurement and new product approval process for all material business lines, products and activities.<br>6. The Committee shall establish a funding strategy that provides effective diversification in the sources and tenor of funding;<br>7. To ensure an ongoing presence in Company's chosen funding markets and strong relationships with fund providers to promote effective diversification of funding sources;<br>8. To ensure Company is actively managing collateral positions, differentiating between encumbered and unencumbered assets and to monitor the legal entity and physical location where collateral is held and how it may be mobilised in a timely manner;<br>9. To ensure conduct of stress tests on a regular basis for a variety of short-term and protracted NBFC-specific and market-wide stress scenarios (individually and in combination);<br>10. To approve the volume, composition, holding/ defeasance period, cut loss, etc. of the 'Trading Book'. |

| | |
|---|---|
| | 11. To see that there should not be over-reliance on a single source of funding;<br>12. Review and management of liquidity gaps and structural liquidity of the Company;<br>13. Review and management of interest rate sensitivity of the Company;<br>14. To review Floating Reference Rate (FRR) and / or Monthly Reference Rate (MRR) statements as applicable;<br>15. Develop a view on future direction on interest rate movements and decide on funding mixes;<br>16. To take decisions on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding.<br>17. To ensure there is adequate structure, distribution of responsibilities and controls for managing liquidity risk.<br>18. To formulate and finalize Contingency Funding Plan of the company.<br><br>The minutes of the ALCO shall be placed at the Board of Directors meetings. |

3.10.2 **DEBENTURE ALLOTMENT COMMITTEE** was constituted for borrowing funds by approving the issuance and allotment of Secured Redeemable Non-Convertible Debentures ('NCDs') and Perpetual Debt Instruments in the nature of Non-Convertible Securities ('PDIs') on private placement basis in one or more tranche as may be decided by the Management and held is at regular intervals as per the directives of the Board. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Debenture Allotment Committee shall comprise of at least three members. |
| **Quorum** | The quorum at a meeting of the Debenture Allotment Committee shall be two members. |
| **Meetings** | The Debenture Allotment Committee shall meet as and when Company intends to raise funds through issue of Debentures.<br><br>Concerned invitees may be invited to be present as invitees for the meetings of the Debenture Allotment Committee, wherever necessary. |
| **Responsibilities** | 1. Issuance and allotment of Non-Convertible Debentures ('NCDs') and Perpetual Debt Instruments in the nature of Non-Convertible Securities ('PDIs') on private placement basis in one or more tranche.<br>2. To authorize Directors and/or Key Managerial Personnel and/or other officials of the Company to do all such acts, deeds and things incidental to issue and allotment of Debentures.<br>3. To authorize officers, agents, consultants, banks, advisors or any related person to submit, file, resubmit, modify, sign, execute, process all types of documents and information including but not limited to application, letters, clarifications, undertaking, certification, declaration to obtain all the |

| | |
|---|---|
| | necessary approvals, consents, permits, license, registration from government, regulatory, semi-government, statutory and private authorities, institutions, bodies, organizations including but not limited to RBI, SEBI, Stock Exchange, depositories;<br>4. To perform such powers/actions as may be delegated by the Board of Directors from time to time. |

3.10.3 **SHARE ALLOTMENT COMMITTEE** was constituted for approving the issuance and allotment of shares of the Company and is held regular intervals as per the directives of the Board. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Share Allotment Committee shall comprise of at least three members. |
| **Quorum** | The quorum at a meeting of the Share Allotment Committee shall be two members |
| **Meetings** | The Share Allotment Committee shall meet as and when Company intends to raise funds through issue of Equity/Preference Shares.<br><br>Concerned invitees may be invited to be present as invitees for the meetings of the Share Allotment Committee, wherever necessary. |
| **Responsibilities** | 1. Issuance and allotment of Equity/Preference Shares including in pursuance of exercise of ESOPs.<br>2. Ensuring compliance with the Companies Act, 2013 and rules made thereunder relating to the issue and allotment of Equity/Preference Shares as may be issued by the Company from time to time<br>3. To authorize Directors and/or Key Managerial Personnel and/or other officials of the Company to do all such acts, deeds and things incidental to issue and allotment of Equity/Preference Shares.<br>4. To authorize officers, agents, consultants, banks, advisors or any related person to submit, file, resubmit, modify, sign, execute, process all types of documents and information including but not limited to application, letters, clarifications, undertaking, certification, declaration to obtain all the necessary approvals, consents, permits, license, registration from government, regulatory, semi-government, statutory and private authorities, institutions, bodies, organizations including but not limited to ROC, RBI, SEBI, Stock Exchanges, depositories;<br>5. To perform such powers/actions as may be delegated by the Board of Directors from time to time. |

3.10.4 **BOND ALLOTMENT COMMITTEE** was constituted for borrowing funds by approving the issuance and allotment of Non-Convertible Subordinated (Tier II) Bonds (“**Subordinated Bonds”)** on private placement basis in one or more tranche as may be decided by the Management and held is at regular intervals as per the directives of the Board. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Bond Allotment Committee shall comprise of at least three members. |
| **Quorum** | The quorum at a meeting of the Bond Allotment Committee shall be two members. |
| **Meetings** | The Bond Allotment Committee shall meet as and when Company intends to raise funds through issue of Subordinated Bonds.<br><br>Concerned invitees may be invited to be present as invitees for the meetings of the Bond Allotment Committee, wherever necessary. |
| **Responsibilities** | 1. Issuance and allotment of Subordinated Bonds<br>2. To authorize Directors and/or Key Managerial Personnel and/or other officials of the Company to do all such acts, deeds and things incidental to issue and allotment of Subordinated Bonds.<br>3. To authorize officers, agents, consultants, banks, advisors or any related person to submit, file, resubmit, modify, sign, execute, process all types of documents and information including but not limited to application, letters, clarifications, undertaking, certification, declaration to obtain all the necessary approvals, consents, permits, license, registration from government, regulatory, semi-government, statutory and private authorities, institutions, bodies, organizations including but not limited to RBI, SEBI, Stock Exchange, depositories;<br>4. To perform such powers/actions as may be delegated by the Board of Directors from time to time. |

3.10.5 **CUSTOMER SERVICE COMMITTEE** was constituted to monitor service delivery for all customer interactions across sales, service and collections based on the MIS provided by the Customer Service function. The Committee will propose changes to bring about ongoing improvements in the quality of customer service provided by the Company and oversee the effectiveness of the grievance redressal mechanism of the Company

| | |
|---|---|
| **Composition** | The Customer Service Committee shall comprise of at least three members.<br>• Managing Director & CEO - Chairperson<br>• Chief - People & Operations<br>• Chief Digital and Marketing Officer<br>• Chief Business Officers |
| **Quorum** | The quorum at a meeting of the Customer Service Committee shall be two members. |
| **Meetings** | The Committee shall meet at least once in a month. Minimum of two members must be present to form the quorum.<br>The Committee may also include invitees, as decided by the Chairperson of the Committee as it considers appropriate to be present at the meetings of the Committee. |
| **Invitees** | The following shall be Permanent Invitees to all meetings of the Customer Service Committee:<br><br>• Chief Data and Analytics Officer |

| | |
|---|---|
| | • Chief Credit Officer<br>• Chief Manager – Secretarial<br>• Head – Emerging Markets and Gold Loans<br>• Head – Customer Service<br>• Head – Legal & Company Secretary<br>• Head – CE and Micro Lending<br>• Head – Operations<br>• Head – CPU Operations<br>• Head – Credit Lending<br>• Head – Branch Operations<br>• Head – Regulatory Compliance<br>• Head – Investor Relations<br>• Internal Ombudsman<br>• CPU Head<br>• Principal Nodal Officer<br><br>Additionally, the Committee may also include other invitees, as decided by the Chairperson of the Committee, as it considers appropriate to be present at the meetings of the Committee. |
| **Responsibilities** | 1. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the frontline channels related to service delivery.<br>2. Review the practice and procedures adopted by the company for effective redressal of Customer grievance and take appropriate corrective action / procedural change, on an ongoing basis.<br>3. Monitoring the grievances raised by the Customer/Complainant including complaints related to services provided by Outsourced Agencies, Collection agencies and digital lending partners etc. to provide guidance on next steps<br>4. Review the root-cause analysis of the complaints and recommend process / procedural change.<br>5. Monitor the complaints reviewed by the Internal Ombudsman<br>The minutes of the Committee will be placed before the Customer Service Review Committee of the Board. |

3.10.6 **OPERATIONAL RISK MANAGEMENT COMMITTEE** was constituted to oversee functioning, implementation and maintenance of operational risk management activities as defined in the policy and provide strategic direction on developing HDBFS's Business Continuity management (BCM) program. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | **Members:**<br>▪ Chief Risk Officer (CRO) - Chairperson<br>▪ Chief Compliance Officer (CCO)<br>▪ Chief Financial Officer (CFO)<br>▪ Chief Credit Officer (CCO)<br>▪ Head – Human Resources & Operations |
| **Quorum** | Minimum of three members must be present to form the quorum. |

| | |
|---|---|
| **Meetings** | The Committee shall meet at least once a quarter. |
| **Invitees** | Chief Technology Officer, Head Operations, Head Branch Operations, Head Internal Audit, RCU Representative and Chief Information Security Officer shall be permanent invitees to the Committee.<br><br>The Managing Director shall be apprised of the key points discussed in the ORMC for his views and recommendations. Pertinent stakeholders may be invited to the ORMC as and when required.<br><br>The Committee may also include invitees, as decided by the Chairperson of the Committee, as it considers appropriate to be present at the meetings of the Committee. |
| **Responsibilities** | **A. For Operational Risk Management:**<br>1. Guide and oversee functioning, implementation and maintenance of operational risk management activities as defined in the policy.<br>2. Review and approve the development and implementation of operational risk methodologies and tools, including assessments, reporting, capital and loss event databases.<br>3. Review, discuss and approve modification of ORM Framework implementation as defined in the ORM Policy based on changes in the environment, change in regulations or any other significant matter impacting ORM.<br>4. Approve relevant policy and process documents for the effective implementation of the framework within the overall operational risk management policy objectives.<br>5. To analyse frauds, potential losses, non-compliance, breaches etc. and recommend corrective measures to prevent recurrences.<br>6. Approve or modify changes in its own composition, rules of conduct of business or quorum or any other operational issues.<br>7. Discuss and approve suitable controls/mitigation for managing Operational Risk.<br>8. Reinforce culture and awareness of operational risk management.<br><br>**B. For Business Continuity Management:**<br>1. Guide and provide strategic direction on developing HDBFS’s Business Continuity management (BCM) program.<br>2. Provide required support for implementation of the BCM Program within the organisation.<br>3. Review the performance of the organisation's BCM Program.<br>4. Discuss key business continuity issues, disruptions, and evolving risks.<br>5. Periodically update Board Committees with BCM program implementation & effectiveness status. |

| | |
|---|---|
| | 6. Instil a strong organisational culture that embeds the BCM framework in the strategy and business operations of the organisation.<br><br>**C. For Outsourcing Risk Management:**<br>1. To provide strategical guidance to ensure all aspects of risks associated with Outsourcing of any activity of HDBFS, is mitigated well.<br>2. Review and suggest suitable mitigation/action plan on any Regulatory observations w.r.t. Outsourcing.<br>3. Approve outsourcing of any new activity, post evaluating risk and benefits of In-sourcing vs Outsourcing.<br>4. Provide necessary approvals on exceptions, guidance, clarifications on the Financial Outsourcing Policy, if any.<br>5. Review exceptional scenarios, approve necessary process notes for effective implementation of Outsourcing Policy, Key risk indicators, etc., if any.<br>6. If required, the Committee may review the existing major activities outsourced, whether it can be insourced.<br><br>The minutes of the Committee will be placed to the Risk Management Committee of the Board. |

3.10.7 **WHISTLE BLOWER COMMITTEE** was constituted pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI LODR-2015, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns. The Company as part of the 'vigil mechanism' has in place a Whistle Blower Committee to deal with instances of fraud and mismanagement, if any. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Committee shall comprise of<br>• Head – Internal Audit – Chairperson<br>• Head – Human Resources<br>• National Risk Control Manager<br>• Vice President, Legal |
| **Quorum** | The quorum of the committee shall be any two members subject to the condition that the member of the Committee who is part of the quorum, shall not in any manner be interested or related to the matters / complaints / protected disclosures dealt and taken up by the Committee from time to time. |
| **Meetings** | Whistle blower Committee shall meet within 7 working days of a case being reported or once in a quarter, whichever is earlier. |
| **Responsibilities** | The role of the Whistle Blower Committee of the Company shall include the following:<br>1. The Committee to decide whether the case reported/referred to the Committee falls under Whistle Blower Policy. If not, the same to be referred to HR/any other concerned department, as the Whistle Blower Committee may deem fit, with reasons |

| | |
|---|---|
| | to be recorded in writing in minutes as to why the same is not under the ambit of whistle blower mechanism.<br>2. Protect the Whistle Blower from any form of retaliation / adverse action and ensure that the investigation is carried out by maintaining the confidentiality of the Whistle blower, provided the Whistle Blower complaint is made in good faith.<br>3. Review investigation findings for adequacy and completeness of the investigation proceeding.<br>4. Recommend appropriate corrective actions to address the matter, if misconduct is substantiated.<br>5. Maintain records of all reported concerns, investigations, and resolutions.<br>6. Ensure that the Whistle Blower case is investigated and closed within reasonable timelines. |

3.10.8 **FRAUD MANAGEMENT COMMITTEE ("FMC")** was constituted to review all cases of fraud of ₹1 lakh and above, review root cause for the failure to prevent the fraud, review progress in legal action and recovery from the fraud accounts. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Committee shall comprise of<br>• MD & CEO – Chairperson<br>• Chief Risk Officer<br>• Chief Credit Officer<br><br>The Head of RCU will be a permanent invitee to the meetings. |
| **Quorum** | Minimum of two members must be present to form the quorum.<br><br>The Committee may also include invitees, as decided by the Chairperson of the Committee as it considers appropriate to be present at the meetings of the Committee. |
| **Meetings** | The Committee shall meet once a quarter. |
| **Responsibilities** | 1. The Committee shall oversee the decisions of fraud identification committee (Sub-committee under FMC to identify and report fraud cases).<br>2. 2. The Committee will review all cases of fraud, review root cause for the failure to prevent the fraud, review progress in legal action and recovery from the fraud accounts.<br>3. Recommend process and people changes to the Business / Credit functions based on learnings from frauds detected by the Company.<br>4. Review attempted frauds to identify any process changes to prevent loss to the Company<br>5. Reporting of Fraud – The committee shall monitor reporting of all frauds as per regulatory guidelines and also should fix staff accountability in respect of delays in reporting of fraud cases.<br>6. To review whether the systems in the Company are adequate to detect frauds<br>7. To recommend closure of fraud cases based on recovery potential, legal status and regulatory approval<br>8. To monitor reporting to Board and regulators<br>9. 9. Implement mitigation measures suggested by SCBMF (Special Committee of the Board for Monitoring and follow up |

| | |
|---|---|
| | of cases of Frauds) for strengthening internal controls & overall Fraud Risk framework within the company.<br><br>The minutes of the Committee will be placed to Special Committee of the Board for Monitoring and follow up of cases of Frauds (SCBMF) and / or any other Board level Committee. |

3.10.9 **INFORMATION SECURITY COMMITTEE** was constituted in line with Master reference no. RBI/DoS/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24, dated November 7, 2023 - RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. An Information Security Committee ("ISC"), under the oversight of the IT Strategy Committee (ITSC), shall be formed for managing cyber/ information security. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | • Chief Risk Officer (Chairperson)<br>• Chief Information Security Officer (CISO)<br>• Representatives from business<br>• Chief Technology Officer (CTO)<br>• Head of Information Technology and Information Security Operations<br>• Chief Digital and Marketing Officer<br>• Chief Compliance Officer (CCO)<br>• Head of Operations |
| **Quorum** | The Committee shall meet once in a quarter. Minimum of three members must be present to form the quorum.<br><br>The Committee may also include invitees, as decided by the Chairperson of the Committee as it considers appropriate to be present at the meetings of the Committee. |
| **Meetings** | The Committee shall meet at least once in a quarter. |
| **Responsibilities** | 1. Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within HDBFS risk appetite;<br>2. Approving and monitoring information security projects and security awareness initiatives;<br>3. Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and<br>4. Updating ITSC and CEO periodically on the activities of ISC.<br><br>The minutes of the Committee will be placed to the IT Strategy Committee of the Board. |

3.10.10 **INFORMATION TECHNOLOGY STEERING COMMITTEE** was constituted in terms of RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, dated November 07, 2023, REs shall put in place a robust IT Governance Framework based on strategic alignment, risk management, resource management, performance management and Business Continuity/ Disaster Recovery Management. Constitution of senior management level IT steering committee is a requirement in pursuit of this requirement. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Committee shall comprise of<br>a) Chief Technology Officer (CTO) - Chairperson<br>b) Chief Financial Officer<br>c) Chief - People & Operations<br>d) Head of Operations<br>e) Chief Digital Officer (CDO)<br>f) Chief Business Officers / Business Heads<br>g) Chief Credit Officer<br>h) Chief Information Security Officer (CISO) |
| **Quorum** | The Quorum for IT Steering Committee will be four members.<br>The Functional IT Heads will be permanent invitees to the Committee. The Committee may also include invitees, as decided by the Chairperson of the Committee as it considers appropriate to be present at the meetings of the Committee. |
| **Meetings** | Meeting shall be held on a quarterly basis. |
| **Responsibilities** | 1. Execution of the IT Strategy approved by the Board<br>2. Ensure that IT/ IS and their support infrastructure are functioning effectively and efficiently<br>3. Necessary IT risk management processes are in place and create a culture of IT risk awareness and cyber hygiene practices in the Company<br>4. Ensure Cyber security posture of the Company is robust;<br>5. Overall, IT contributes to productivity, effectiveness and efficiency in business operations of the Company<br>6. Update Board/ IT Strategy Committee and CEO periodically on the activities of IT Steering Committee;<br>7. Oversee the business continuity planning process including determining how it will manage and control identified risks as well as prioritize critical business functions.<br>8. Putting in place a framework/ mechanism for effective Disaster Recovery Management;<br>9. Define IT project success measures and follow up progress on IT projects;<br>10. Ensure compliance with technology standards and guidelines;<br>11. Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance.<br>The minutes of the Committee will be placed to the IT Strategy Committee of the Board. |

3.10.11 **IDENTIFICATION COMMITTEE FOR WILFUL DEFAULTERS** was constituted as per Master Direction on Treatment of Wilful Defaulters and Large Defaulters, dated November 28, 2025. The Committee constituted for identifying a wilful defaulter was comprised of an officer not more than one rank below the MD/ CEO as chairperson and two senior officials, not more than two ranks below the chairperson of the committee, as members. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Committee shall comprise of<br>a) Chief Credit Officer - Chairperson<br>b) Head Collections - Members<br>c) National Risk Control Manager - Members |

| | |
|---|---|
| **Quorum** | The Quorum at the meeting for identification Committee for Willful Defaulters shall be two members.<br>Chief Compliance Officer will be permanent invitees to the Committee. |
| **Meetings** | The frequency of the meeting shall be at least half-yearly or as and when required. |
| **Responsibilities** | 1. The identification of the wilful default should be made keeping in view the track record of the borrowers and should not be decided on the basis of isolated transactions/ incidents<br>2. The committee shall be responsible for the preliminary assessment of borrowers for classification as wilful defaulters in accordance with updated RBI guidelines.<br>3.The evidence of wilful default shall be examined by the Identification Committee<br>4. The Committee shall issue a show-cause notice to the concerned borrower / guarantor/ promoter / persons who are responsible for management of the entity, providing them with an opportunity to submit their written response within specified time frame.<br>5. After considering the submissions and where satisfied, the Identification Committee shall make a proposal to the Review Committee for classification as a wilful defaulter by explaining the reasons in writing.<br>6. The committee shall review wilful default cases with outstanding of ₹ 25 lakhs and above or as may be notified by Reserve Bank of India time to time for all NPA cases and specific cases that are evidenced with intentional default or diversion of funds which are yet to be classified as NPA. |

3.10.12 **Compliance Monitoring Committee (CMC)** was constituted in compliance with the provisions of the Master Direction on Scale-Based Regulations dated March 21, 2024, as well as to ensure better compliance culture and oversee the performance of the compliance function. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

| | |
|---|---|
| **Composition** | The Committee shall comprise of<br>• Chief Compliance Officer - Chairperson<br>• Chief Risk Officer - Member<br>• Head - Internal Audit - Member<br>• Chief Credit Officer - Member<br><br>The Managing Director & CEO shall be a permanent invitee to the meetings of the Committee. |
| **Quorum** | A minimum of three members shall be present to constitute the quorum.<br><br>The Committee may also invite, other officials as decided by the Chairperson of the Committee and considers appropriate to be present at the meetings of the Committee. |
| **Meetings** | This Committee shall meet on a quarterly basis, with at least four (4) meetings in a financial year.<br><br>The gap between two consecutive meetings shall not exceed 150 days. |

| Responsibilities | a) To oversee the implementation of the Compliance Policy and Compliance Manual, in both letter and spirit.<br>b) To review and disseminate regulatory updates issued by the RBI from time to time. |
|---|---|

## 4. FIT & PROPER CRITERIA

The Company has a Board approved Fit & Proper Policy in place and required disclosures to the effect are made from time to time.

4.1. In terms of RBI Master Direction No. RBI/DOR/2025-26/344 DOR.GOV.REC.No.263/18-10-013/2025-26 dated November 28, 2025, the Nomination and Remuneration Committee of the Company ensures the 'Fit & Proper' status of existing / proposed Directors of the Company.

4.2. Every individual at the time of his / her appointment / re-appointment and on annual basis, as a Director of the Company, provides a Fit & Proper declaration in the manner and format as may be prescribed by RBI from time to time.

4.3. In case there is any change to the information already provided by the director, declaration to that effect shall be furnished to the Company.

4.4. Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company scrutinizes the aforesaid declarations as given by the individuals. The said declarations are scrutinized by the NRC on the following basis:

a) Suitability of the individual to be appointed as Director of the Company
b) Qualification of the director
c) Age of the Director
d) Expertise of the Director vis-a-vis business of the Company
e) Track record of the Director
f) Integrity of the Director
g) Directorship in other entities
h) Relationship with or substantial interest in other entities

4.5. Based on the information provided in the signed declarations, the NRC decides on the acceptance or otherwise of the Directors.

4.6. Every Individual, once appointed as Director of the Company shall enter into a Deed of Covenant, as prescribed by RBI, with the Company.

4.7. The Company shall ensure to furnish to the Reserve Bank a quarterly statement on change of directors and a certificate from the Managing Director of the NBFC that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Reserve Bank within 15 days of the close of the respective quarter. The statement submitted by the Company for the quarter ending March 31, should be certified by the auditors.

## 5. PERFORMANCE EVALUATION

5.1. The Company recognizes the benefits of a Board that possesses a balance of skill, experience and expertise appropriate to the requirements of the business of the Company.

5.2. The Nomination & Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

5.3. In terms of the requirements of Schedule IV of the Act, the independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting. The meeting shall:

(a) Review the performance of non-independent directors and the Board as a whole;
(b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
(c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5.4. Similarly, the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

5.5. Pursuant to the provisions of Companies Act, 2013, the Company shall include in the report of its Board of Directors, a statement indicating the manner in which formal annual performance evaluation was carried by the Board of its own performance, its Committees and Individual Directors.

## 6. ROLE OF SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

6.1. Senior Management shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and shall also comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer /manager, in case they are not part of the board) and shall specifically include the functional heads, by whatever name called, and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity .

6.2. Key Managerial Personnel (KMP) means Chief Executive Officer or the Managing Director or the Manager, Whole-time director, Chief Financial Officer, Company Secretary and such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board. Except for directorship in a subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL. It is clarified that they can assume directorship in NBFC-BL.

6.3. Over a period of time, the role and responsibilities of the Board of Directors, Key Managerial Personnel and Senior Management have increased significantly. This is mainly due to the growth in the size of operations of the Company and evolving legal and regulatory requirements viz. enactment of new Companies Act, 2013 and increase in RBI Corporate Governance requirements.

This has increased the responsibility senior management & KMP with regard to the disclosures / compliances and manage business operations in an ethical manner in line with the best corporate governance practices. Therefore, the senior management & KMP are responsible to ensure balance with the compliance requirements/ business ethics vis-a-vis business operations requirements, while implementing the strategic plans, business plans and budgets as approved by the Board of Directors.

## 7. DISCLOSURE AND TRANSPARENCY

7.1. The Company shall put up to the Board of Directors or its Committee, at regular intervals, as may be prescribed by the Board in this regard, the following:

i. The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company;

ii. Conformity with corporate governance standards viz., in composition of Board and various Committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

iii. Details of all material transactions with related parties shall be disclosed in the annual report. The company shall disclose the policy on dealing with Related Party Transactions, as approved by the Board on its website and a web link shall be provided in the Annual Report.

7.2. The Company shall also disclose the following in their Annual Financial Statements:

i. Registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;

ii. Ratings assigned by credit rating agencies and migration of ratings during the year;

iii. Penalties, if any, levied by any regulator;

iv. information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and

v. Asset-Liability maturity, extent of financing of parent company products, credit impaired loans and movement of credit impaired loans, details of all off-balance sheet exposures, structured products issued by the Company, securitization/ assignment transactions and other disclosures, as may be prescribed by Reserve Bank of India from time to time.

## 8. ROTATION OF PARTNERS OF THE STATUTORY AUDITORS AUDIT FIRM

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the company continuously for more than a period of three years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of six years, if the Company, so decides. These terms shall be incorporated appropriately in the letter of appointment of the firm of auditors.

## 9. CHIEF COMPLIANCE OFFICER AND COMPLIANCE FUNCTION

The Company shall appoint a Chief Compliance Officer who shall be reporting to MD & CEO and be responsible for setting forth policies and procedures. The Company should have independent Compliance Function.

## 10. CHIEF RISK OFFICER (CRO)

a) The Company shall appoint a CRO who shall be a senior official in the hierarchy of the Company and he shall possess adequate professional qualification/ experience in the area of risk management.

b) The CRO shall be appointed for a fixed tenure with the approval of the Board. The CRO can be transferred/ removed from his post before completion of the tenure only with the approval of the Board and such premature transfer/ removal shall be reported to the Department of Supervision, RBI. Any change in incumbency of the CRO shall also be reported to the stock exchanges.

c) CRO will administratively and functionally report to the MD & CEO, the RMC will continue to exercise oversight through, quarterly interactions with the CRO without the MD & CEO's presence evaluating CRO performance. The CRO shall not have any reporting relationship with the business verticals of the Company and shall not be given any business targets. Also, there shall not be any 'dual hatting' i.e. the CRO shall not be given any other responsibility.

d) The CRO shall be involved in the process of identification, measurement and mitigation of risks. All credit products shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor.

## 11. OTHER POLICIES

The following policies have been framed and adopted by the Board of the Company, and shall form part and parcel of the overall corporate governance framework of the Company:

i. Compliance Policy
ii. Fair Practices Code
iii. AML/ KYC Policy
iv. Whistle Blower Policy
v. Related Party Transactions Policy
vi. Prevention and Redressal of Sexual Harassment at work place Policy
vii. Policy on appointment and role of Chief Risk Officer
viii. Fit & Proper Policy
ix. ESG Policy Framework
x. Code of Conduct Philosophy
xi. Code of Conduct for Board of Directors and Senior Management Personnel
xii. Risk Management Policy
xiii. Succession Planning Policy
xiv. Familiarization Program for Independent Directors
xv. Fraud Risk Management Policy
xvi. Board Diversity Policy
xvii. Corporate Social Responsibility Policy
xviii. Nomination and Remuneration Policy
xix. Environment Policy
xx. Human Right Statement

xxi. Occupational Health and Safety Policy
xxii. Anti-Corruption and Anti-Bribery Policy

## 12. REVIEW

This Code shall be reviewed by the Board of Directors at least once in a financial year, in order to align with the prevalent regulatory and business requirements.