Truhome Finance Limited

(Formerly Shriram Housing Finance Limited)

Policy for Appointment / Re-appointment of Statutory Auditors

1. Background

The Reserve Bank of India (RBI), vide its notification No. RBI/DoS/2026-27/465 DoS.CO.ARG.59/08.91.001/2026-27 dated July 31, 2026 has issued **Reserve Bank of India (Non-Banking Financial Companies - Statutory Audit) Directions, 2026** ("RBI Directions").

The RBI Directions prescribe the framework and requirements governing the appointment, eligibility, tenure, rotation and other related aspects concerning Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Non-Banking Financial Companies (NBFCs), including Housing Finance Companies (HFCs).

As a Housing Finance Company registered with the National Housing Bank and regulated by the Reserve Bank of India, Truhome Finance Limited (formerly Shriram Housing Finance Limited) ("the Company") is required to formulate and implement a Board-approved policy for the appointment of SAs and host the same on its official website/public domain.

2. Objective of the policy

The objective of the policy is to lay down a framework of guidance and procedures for appointment, re-appointment, rotation and replacement Statutory Auditors of the Company. The Policy aims to ensure compliance with the Reserve Bank of India (Non-Banking Financial Companies - Statutory Audit) Directions, 2026, the provisions of the Companies Act, 2013 and other applicable regulatory framework.

3. Definitions of the terms used:

'Audit Firm' shall mean a partnership firm or Limited Liability Partnership (LLP).

"Policy" means Policy for Appointment / Re-appointment of Statutory Auditors

"RBI" means Reserve Bank of India
"RE" means Regulated Entity.
"SCA" means Statutory Central Auditor
"SA" means Statutory Auditor.

"Company" and "Truhome" means Truhome Finance Limited (Formerly Shriram Housing Finance Limited)

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the Companies Act, 2013, or any statutory modification or re-enactment thereto or other regulations issued by RBI or the Glossary of Terms published by RBI or as used in commercial parlance, as the case may be.

4. Number of Statutory Auditors

As per the RBI Directions , the requirement for appointment of Statutory Auditors shall be based on the total asset size of the Regulated Entities. The minimum and maximum number of Statutory Auditors that may be appointed shall be as follows:

Total Assets Size* (in Rs. crore)**	**Minimum**	**Maximum**
Upto 14,999	1	4
15,000 and upto 5,00,000	2	4
Above 5,00,000 and upto 10,00,000	2	6
Above 10,00,000 and upto 20,00,000	2	8
Above 20,00,000	2	12

** Asset size means total assets*
***As at the end of the previous financial year*

The Company shall appoint a minimum of two Statutory Auditors where asset size is ₹15,000 crore or above in accordance with RBI requirements.

The Company shall evaluate the number of SAs to be appointed after considering the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, availability of other independent audit inputs, identified risks in financial reporting, etc. and other relevant factors subject to the minimum prescribed by RBI. Considering the above factors and the requirements of the NBFC, the Audit Committee shall recommend, and Board shall approve the actual number of SAs to be appointed, subject to the limits specified above.

The Company shall ensure that the joint auditors do not have any common partners, and they are not under the same network of audit firms as defined in Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014.

Furthermore, the Company shall finalise the work allocation among the Statutory Auditors, before the commencement of the statutory audit, in consultation with the SCAs/SAs.

5. Eligibility Criteria of Auditors

The minimum standards and eligibility norms for audit firms to be appointed as SAs shall be, as givenbelow:

A. Basic Eligibility

Asset Sizeof Company as on 31st March of Previous Year	Minimum No. of Full-Time partners(FTPs) associated with the audit firm for a period of at least three (3) years. ***Note 1***	Out of total FTPs, Minimum No. of Fellow Chartered Accountant (FCA Partners associated with the audit firm for a period of at least three (3) years	Minimum No.of Full Time Partners/ PaidCAs with CISA/ISA Qualification ***Note 2***	Minimum No.of years of Audit Experience of the firm ***Note 3***	Minimum No. of Professional staff ***Note 4***
Above INR 15,000 crore	5	4	2	15	18
Above INR 1,000 crore and Up to Rs. 15,000 crore	3	2	1	8	12
Up to INR 1,000 crore	2	1	1*	6	8

** Not mandatory for NBFCs with asset size of up to ₹1,000 crore*

Note 1: *There should be at least one-year continuous association of partners with the firm as on the date of shortlisting for considering them as full-time partners.* ***In case of NBFCs having asset size of more than ₹1,000 crore, at least two partners of the firm shall have continuous association with the firm for at least 10 years.*** *Further, in case of NBFCs having asset size of more than ₹1,000 crore, the full-time partners shall be exclusively associated with the audit firm and shall not be a partner in any other audit firm, employed full-time or part-time elsewhere, or practising in their own name or otherwise under Section 2(2) of the Chartered Accountants Act, 1949. The Board / Audit Committee shall ensure that the income of such partner from the audit firm / LLP is adequate to qualify as a full-time exclusively associated partner*.

Note 2: CISA / ISA Qualification: There should be at least one-year continuous association of Paid CAs with CISA / ISA qualification with the firm as on the date of shortlisting for considering them as pad CAs with CISA / ISA qualification for the purpose.

Note 3: Audit Experience:. For determining audit experience, experience as Statutory Central Auditor / Statutory Branch Auditor of Commercial Banks, Small Finance Banks, Payment Banks, Local Area Banks, All India Financial Institutions, Urban Co-operative Banks and NBFCs shall be considered, in accordance with the applicable RBI Directions.

Note 4: Professional Staff: Professional staff includes audit and article clerks with knowledge of book-keeping and accountancy and who are engaged in on-site audits but excludes typists / stenos / computer operators / secretaries / subordinate staff, etc. There should be at least one-yearcontinuous association of professional staff with the firm as on the date of shortlisting for consideringthem as professional staff for the purpose.

B. Additional Conditions

(i) The audit firm, proposed to be appointed as SAs, should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.

(ii) The audit firm should not be under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators.

(iii) The Company shall ensure that appointment of SAs is in line with the ICAI's Code of Ethics/any other such standards adopted and does not give rise to any conflict of interest.

(iv) Where any partner of the audit firm is a director in an RBI-regulated entity within the Group, the audit firm shall not be appointed as SCA / SA of any RBI-regulated entity within the same Group.

Where any partner of the audit firm is a director in a non-RBI-regulated entity within the Group and the audit firm is being considered for appointment as SCA / SA of an RBI-regulated entity within the Group, appropriate disclosures shall be made to the Audit Committee and the Board for their consideration.

(v) The SAs for an NBFC with asset size above INR 1,000 crore should preferably have capability and experience in deploying Computer Assisted Audit Tools and Techniques (CAATTs) and Generalized Audit Software (GAS), commensurate with the degree/ complexity of computer environment of the Entities where the accounting and business datareside in order to achieve audit objectives.

C. Continued Compliance with basic eligibility criteria.

In case any audit firm (after appointment) does not comply with any of the eligibility norms (on account of resignation, death, etc. of any of the partners, employees, action by Government Agencies,NFRA, ICAI, RBI, other Financial Regulators, etc.), it shall promptly approach the Company with full details. Further, the audit firm shall take all necessary steps to become eligible within a reasonable time and in any case, the audit firm should be complying with the above norms before commencement of annual statutory audit for Financial Year ending 31st March and till the completion of annual audit.

In case of any extraordinary circumstance after the commencement of audit, like death of one or more partners, employees, etc., which makes the firm ineligible with respect to any of the eligibility norms, RBI will have the discretion to allow the concerned audit firm to complete the audit, as a special case.

6. Independence of Auditors

6.1 The Audit Committee of the Board (ACB) shall monitor and assess the independence of the auditors and conflict of interest position in terms of relevant regulatory provisions, standards, and best practices. Any concerns in this regard shall be flagged to the Board and the concerned Senior Supervisory Manager ("SSM"), Department of Supervision ("DoS"), RBI.

6.2 In case of any concern with the management of the Company such as non-availability of information / non-cooperation by the management, which may hamper the audit process, the Statutory Auditor shall approach the ACB of the Company, under intimation to the concerned SSM of DoS, RBI. The SAs shall directly approach the Board only when the Company does not have an ACB or when they notice a matter of concern involving any member of the ACB.

6.3 Concurrent auditors of the Entity should not be considered for appointment as SAs of the same Entity.

The audit of the company and any entity with 'Large Exposure' to the NBFC for the same reference year should also be explicitly factored in while assessing independence of the auditor.

7. The time gap between any non-audit works (services mentioned at Section 144 of the Companies Act, 2013, Internal assignments, special assignments, etc.) by the Statutory Auditor for the Company orany audit / non-audit works for group entities should be at least one year, before or after its appointment as SAs. However, during the tenure as Statutory Auditor, an audit firm may provide such services to the concerned Entities which may not normally result in a conflict of interest.

Such activities may include but not limited to activities such as Tax audit, tax representation and advice on taxation maters, Audit of interim financial statements, Certificates required to be issued by the statutory auditor in compliance with statutory or regulatory requirements, reporting on financial information or segments thereof etc. The Company shall take appropriate decision in this regard in consultation with the Audit Committee of the Board.

8. The restrictions as detailed in para 7.3 and 7.4 above, will also apply to an audit firm under the same network (As defined in Rule 6(3) of the Companies (Audit & Auditors) Rules, 2014) of audit firms or any other audit firm having common partners.

9. Professional Standards required of Statutory Auditor

9.1 The SAs shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.

9.2 The ACB shall review the performance of SAs on an annual basis. Any serious lapses, negligence in audit responsibilities or conduct issues on part of the SAs or any other matter considered as relevant shall be reported to DoS, RBI within two months from completion of the annual audit. Such reports shall be sent with the approval / recommendation of the ACB, with the full details of the audit firm.

9.3 In the event of lapses in carrying out audit assignments resulting in misstatement of financial statements, and any violations / lapses vis-à-vis the RBI's directions/guidelines regarding the role andresponsibilities of the SAs in relation to the Company, the SAs would be liable to be dealt with suitably under the relevant statutory/regulatory framework.

10. Tenure and Rotation

To protect the independence of the auditors/audit firms, Company should appoint the Statutory Auditor for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. The audit firms which have already completed tenure of one year or two years with any NBFC may be permitted to complete the balance tenure only, i.e., two years and one year, respectively, if they fulfil the eligibility norms on an annual basis.

For removing the Statutory Auditor before completion of three years tenure, the Company shall inform concerned SSM/RO at RBI about it, along with reasons/justification for the same, within a month of such a decision being taken. Upon completion of the prescribed tenure of three years of the SA and until appointment of the incoming SAs for the relevant financial year, the outgoing SAs of the Company may continue for the Limited Review of financial statements for ensuing quarter(s) in accordance with the provisions of this Direction and the applicable statutory requirements.

An audit firm would not be eligible for reappointment for six years (two tenures) after completion of full or part of one term of the audit tenure. In case an audit firm has conducted audit of the Company for part-tenure (1 year or 2 years) and then not appointed for remainder tenure, they also would not be eligible for reappointment in the Company for six years from completion of part-tenure. However, audit firms can continue to undertake statutory audit of other RBI regulated entities.

One audit firm can concurrently take up statutory audit of a maximum of four Small Finance Banks, Payment Banks, Commercial Banks and Local Area Banks (but not more than one PSB or one AIFI or RBI), eight UCBs, eight NBFCs and five StCBs / CCBs (including not more than one StCB) during a particular year, subject to compliance with required eligibility criteria and other conditions for each Company and within overall ceiling prescribed by any other statutes or rules. For clarity, the limits prescribed for UCBs exclude audit of other co-operative societies by the same audit firm. These limits are applicable in respect of audit of all RBI regulated entities, irrespective of the asset size.

The above limits shall be applicable to all RBI-regulated entities, irrespective of their asset size.

A group of audit firms having common partners and/or under the same network, will be considered as one entity and they will be considered for allotment of Statutory Audit accordingly. Shared / Sub-contracted audit by any other / associate audit firm under the same network of audit firms is not permissible. The incoming audit firm shall not be eligible if such audit firm is associated with the outgoing auditor or audit firmunder the same network of audit firms.

11. Audit Fees and Expenses

11.1. The audit fees for SAs shall be decided in terms of the relevant statutory / regulatory provisions.

11.2. The audit fees for SAs shall be reasonable and commensurate with the scope and coverage of audit, size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, identified risks in financial reporting, etc.

11.3. The Board / ACB shall make recommendation to the competent authority as per the relevant statutory / regulatory instructions for fixing audit fees of SAs.

12. Procedure to be followed for Appointment of SAs

12.1. The Company shall shortlist minimum of two audit firms for every vacancy of SA.

12.2. The Company shall obtain a certificate as per prescribed format (Annexure II Form B) from the audit firm proposed to be appointed as SAs confirming its compliance with all the eligibility norms prescribed by RBI. Such certificate shall be duly signed by the main partner/s of the audit firm proposed for appointment under the seal of the said audit firm. The Company shall verify the eligibility of the shortlisted audit firm(s) in accordance with the applicable RBI Directions before appointment.

12.3. The Audit Committee shall recommend the appointment to the Board and the Board shall recommend the same for the approval of the shareholders. Shareholders shall appoint the SA (except the first SA) and the appointment of SA in case of casual vacancy shall be ratified by the shareholders as per the provisions of the Companies Act, 2013.

12.4. Thereafter, the Company shall submit the information to RBI - Central Office of RBI (Department of Supervision) in the prescribed format (Annexure I -Form A) within one month of such appointment.

13. Branch Audit Requirement

The Statutory Auditors of the Company shall visit and audit the top 20 branches of the Company or, where the Company has less than 100 branches, the top 20% of its branches, selected on the basis of outstanding advances.

Such branch audit shall cover branches accounting for at least 15% of the total gross advances of the Company.

The requirements relating to branch audit under Section 143(8) of the Companies Act, 2013, as applicable, shall also be complied with.

14. Review of the policy.

The Audit Committee of the Board / the Board of the Company may review the policy as and when required.

In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended appropriately. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended and shall be ready accordingly.

In the event of any inconsistency or conflict between the provisions of this Policy and any applicable law, regulation, guideline, circular, direction or requirement issued by the Reserve Bank of India, National Housing Bank, the Companies Act, 2013, or any other regulatory authority, the applicable regulatory provision shall prevail to the extent of such inconsistency or conflict.

The Board approved Policy will be hosted on the Company's official website

Annexure I

FORM A

Information to be submitted by the NBFCs regarding appointment of SCA/SA.

1. The company has appointed M/s_____, Chartered Accountants (Firm Registration Number_____) as Statutory Central Auditor (SCA)/Statutory Auditor (SA) for thefinancial year__for their 1st / 2nd / 3rd term.

2. The company has obtained eligibility certificate from (name and Firm Registration Numberof the audit firm) appointed as SCA/SA of the company for FY_____along with relevant information in the format as prescribed by RBI.

3. The firm has no past association/association for_____years with the company asSCA/SA/SBA.

4. The Company has verified the said firm's compliance with all eligibility norms prescribed by RBI for appointment of SCAs/SAs of NBFCs.

Signature
(Name and Designation)
Date:

Annexure II

FORM B

Eligibility Certificate from (Name and Firm Registration Number of the firm)

A. Particulars of the firm:

Asset Size of Entity as on31st March of Previous Year	Number of Full-Time Partners (FTPs) associated* withthe firm for a periodof three (3) years	Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years	Number of FullTime Partners / PaidCAs with CISA / ISA Qualification	Number of Yearsof Audit Experience#	Number of Professional staff

**Exclusively associated in case of all NBFCs with asset size of more than ₹1,000 crore*
#Details may be furnished separately for experience as SCAs/SAs and SBAs

B. Additional Information:

(i) Copy of Constitution Certificate.

(ii) Whether the firm is a member of any network of audit firms, or any partner of the firm is a partner in any other audit firm? If yes, details thereof.

(iii) Whether the firm has been appointed as SCA / SA by any Commercial Bank, Small Finance Banks, Payment Banks, Local Area Banks / and / or All India Financial Institution (AIFI) / RBI / NBFC / UCB in the present financial year?

(iv) If yes, details thereof.Whether the firm has been debarred from taking up audit assignments by any.Regulator / Government agency? If yes, details thereof.

(v) Details of disciplinary proceedings etc. against firm by any financial regulator/Government agency during last three years, both closed and pending.

C. Declaration from the firm

The firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs / SAs of NBFCs. It is certified that neither I nor any of our partners / members of my / their families (family will include besides spouse, only children, parents, brothers, sisters, or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm / company in which I am / they are partners / directors have been declared as wilful defaulter by any bank / financial institution. For the purpose of this declaration, the credit facilities availed by companies where the partner of a firm has been appointed as nonexecutive director in a professional capacity having no financial interest shall not be included.

It is confirmed that the information provided above is true and correct.

Signature of the Partner
(Name of the Partner)
Date:

(For the purpose of this declaration, the credit facilities availed by companies where the partner of afirm has been appointed as non-executive director in a professional capacity having no financial interest shall not be included.)

Sign-off History

Version Number	Sign-off Details	Name	Sign-off Date
2.0	Prepared By	Puja Kirit Shah	23-09-2026
	Reviewed By	Gauri Shankar Agarwal	24-09-2026
	Reviewed By	Management Committee	19-10-2026
	Recommended By	Audit Committee	27-10-2026
	Approved By	Board of Directors	27-10-2026

Version Number	Sign-off Details	Name	Sign-off Date
1.0	Recommended By	Audit Committee	26-07-2021
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