CREDIFIN LIMITED

(formerly known as PHF Leasing Limited)

POLICY ON RESOURCE PLANNING

1. Introduction

This Resource Planning Policy ("Policy") sets out the framework of Credifin Limited, a Base Layer NBFC ("NBFC-BL"), for planning and diversifying its resource-raising activities in a stable and cost-effective manner.

The Policy is framed in compliance with (a) Paragraph 26 of the RBI (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, which requires NBFCs to maintain a diversified funding strategy across sources and tenor; and (b) Paragraph 10 of the RBI (Non-Banking Financial Companies – Miscellaneous) Directions, 2025, which requires a Board-approved resource planning policy for private placement of NCDs -and accordingly sets out , for all channels /modes through which company raises resource , the manner and frequency in which such resources shall be planned and utilised.

2. Scope of the policy

The Policy provides Guidance on:

➢The Mix of loan term funds in the company's overall resource base including Bank loans, ECBs, Loans from Financial Institutions, Non – Convertible debentures, subordinated debt etc.

➢The mix of short-term funds, including Cash Credit, Working Capital Demand Loans, Commercial Paper, and Bank Overdraft facilities.

➢ The overall diversification of funding sources and tenor, to avoid over-reliance on any single source, instrument, or counterparty.

3. Definitions:

"Company" shall mean Credifin Limited.

"Private Placement" means non-public offering of Non-Convertible Debentures (NCDs) by the Company to such number of select subscribers and such subscription amounts, as may be specified by the Reserve Bank of India, from time to time.

"Public Issue" means an invitation by a company to public to subscribe to the securities offered through a prospectus.

"Co-lending"means an arrangement, formalised through an ex-ante agreement, between a lender that originates the loan (the "Originating Lender") and another lender that jointly funds the loan (the "Co-Lending Partner"), for jointly funding a portfolio of loans — whether secured or unsecured — in a pre-agreed proportion, involving sharing of revenue and risk between them.

4. Objective:

Long term Resource Mobilisation:

The Company may mobilise long-term resources through the following channels, subject to annual targets and limits as approved by the Board/Asset Liability Management Committee (ALCO)

A. Banks/Institutional funding;

B. By the issue of NCDs (Secured and unsecured)/ Subordinate Debts;

C. Co lending arrangements; to the extent they impact the Company's long-term funding requirement.

D. Inter corporate loans.

The mix and targets under each head shall be reviewed by the ALCO/Board at the end of each financial year, and the progress against targets shall be reported to the Board.

5. Policy on raising long term resources

5.1 Term loans from banks and other Financial Institutions.

. The Company shall continue to avail term loans from public and private sector banks and financial institutions, with maturities exceeding 12 months, classified as long-term resources under this Policy.

The Company shall endeavour to diversify its borrowings across banks/financial institutions to avoid over-concentration on any single lender, and shall maintain an appropriate mix of fixed and floating rate borrowings based on prevailing market conditions and the Company's Asset-Liability profile. All such borrowings shall be availed in compliance with RBI's extant guidelines applicable to bank/institutional finance to NBFCs, and shall be sanctioned by [Board/ALCO/delegated authority] as per the Company's internal approval matrix

5.2 Issue of Debt securities.

The company shall subject to the applicable laws and regulations, issue debt securities depending on its business requirements and prevailing market conditions. The debt securities may be issued in the following manner:

i. Private placement of NCDs

Based on the Company's business plan for each year, the company may issue Unlisted Non Convertible Debentures (NCDs) by way of private placement to individuals/ institutions or such other class or category of investors, as permitted under applicable law. The timing and the amount of each issue shall be decided by the relevant sanctioning authority ,subject to the statutory and regulatory compliances as may be required from time to time. However, as a policy, the company, in the ordinary course of its business, shall issue such instruments as and when needed. The total number of subscribers in each issue shall not exceed the maximum limit prescribed under applicable laws or regulation.

Private placement ofNCDs shall be made on the basis of a Disclosure document which shall include, inter alia, the opening and closing dates of the issue, financial position and performance of the company,and such other particulars as may be required under Companies Act , 2013 and the rules made thereunder.. Secured debentures shall be secured on the movable or immovable assets of the companyand a charge shall be registered in accordance with the provisions of the Companies Act,2013.

Further, in alignment with paragraphs 10 and 11 of the Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025, as amended from time to time , the following provisions shall apply to private placement of NCDs with maturity exceeding one year :

- The minimum subscription per investor shall be Rs. 20,000.

- Issuance of NCDs shall be categorized into:

  1. Subscriptions of less than Rs. 1 crore per investor , capped at 200 subscribers per financial year, fully secured).

  2. Subscriptions of Rs. 1 crore and above per investor , with no limit on the number of subscribers, and the option to create security resting with the Company.).

- NCDs shall be issued only for the deployment of funds on the Company's own balance sheet and not to facilitate resource needs of group entities, parent company, or associates.
- The Company shall not extend loans against the security of its own debentures, whether by way of private placement or public issue

ii. Regulatory Compliance:

- Tax-exempt bonds issued by the Company shall be exempt from the provisions of RBI Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 to the extent relating to private placement of NCDs

- NCDs with original or initial maturity of up to one year, if any, shall be governed by the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of Original or Initial Maturity up to One Year) Directions, 2024, and not by the private placement provisions applicable to NCDs of maturity exceeding one year under this Policy.

5.3 Issue of Subordinated Debt instruments.

The Company may for meeting its ALM requirements, issue Subordinated Debt instruments-being instruments that are fully paid-up, unsecured, subordinated to the claims of other creditors, free from restrictive clauses, and not classified as deposits under the applicable directions of the Reserve Bank of India with a maturity period exceeding 5 years from the date of allotment.
Such instrument may be issued such class or category of investors as the relevant sanctioning authority decides from time to time, subject to applicable statutory and regulatory requirements.
(Where any Subordinated Debt is intended to be reckoned towards the Company's regulatory capital, it shall additionally comply with the discounting and other conditions prescribed under the applicable RBI Directions for such recognition.)

6. Short Term Resources

Resources with a maturity of 12 months and less shall be treated as short term resources. The main sources of such resources are bank limits and inter corporate loans. While these sources are excluded from the definition of 'public deposit' under the applicable directions of RBI, they continue to be reckoned as "public funds" for the purposes of other applicable regulatory requirements.

7. Annual Plan for Mix of resources

The ideal mix of resources for the company , along with the resource mobilization plan for each financial year shall be determined in advance by the Board /Alco as a part of the Company's annual business plan having regard to projected asset growth, Asset-Liability Management (ALM) requirements, cost of funds, and prevailing market conditions.

Resources shall be mobilized during the year in accordance with the channels, limits, and conditions set out in this Policy. Any material deviation from the approved annual plan, necessitated by changes in business or market conditions, shall be placed before the [Board/ALCO] for approval.

8. Amendment to the policy

This Policy may be reviewed and amended from time to time by the Board of Directors, and shall in any case be reviewed at least once every financial year.

In the event of any change in the applicable RBI Directions or other statutory/regulatory requirements referred to in this Policy, the relevant provisions of this Policy shall be deemed to be modified to the extent of such change with effect from the date the change becomes applicable, and shall be placed before the Board for formal ratification at its next meeting.

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