SANVIN FINCAP PRIVATE LIMITED

(formerly known as Protect Securities Private Limited)

RBI registration no: B-14.01902

CREDIT RISK MANAGEMENT POLICY

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1. Introduction

This Credit Risk Management Policy ("Policy") is framed in accordance with the provisions of the Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 and other applicable laws, rules and regulations.

The purpose of this Policy is to establish a framework for prudent credit risk management and to ensure that the Company's lending activities are conducted in a safe, transparent and compliant manner.

2. Objective

The objectives of this Policy are:

- To ensure sound credit appraisal and sanctioning practices.
- To identify, assess, monitor and manage credit risk.
- To safeguard the Company's assets and interests.
- To ensure compliance with RBI regulations and applicable laws.
- To establish governance standards for lending to Directors, Senior Officers and related entities.

3. Scope

This Policy shall apply to all loans, advances and credit facilities sanctioned by the Company and shall be applicable to all employees, officers and Directors involved in the lending process.

4. Credit Appraisal and Due Diligence

Before sanctioning any loan or credit facility, the Company shall undertake appropriate due diligence of the borrower, including verification of:

- Identity and KYC documents;
- Financial position and repayment capacity;
- Credit history and existing liabilities;
- Purpose and end use of funds;
- Availability and adequacy of security, wherever applicable.

The Company may obtain such information, declarations and supporting documents as may be necessary for evaluating the creditworthiness of the borrower.

All credit decisions shall be based on prudent commercial considerations and in accordance with the Company's approved lending practices.

5. Loans to Directors, Senior Officers and Related Parties

The Company shall exercise enhanced caution while considering loans to Directors, Senior Officers, their relatives and entities in which they have substantial interest.

Any Director interested in a credit proposal shall disclose his/her interest and shall not participate in the decision-making process relating to such proposal.

Loans granted to Directors, Senior Officers, their relatives or entities in which they have substantial interest shall be granted only on arm's length basis and on terms not more favourable than those offered to other similarly placed borrowers.

Any such loan or advance exceeding **₹25 lakh** shall be reported to the Board of Directors at the next Board Meeting.

The Company shall maintain proper records of all such transactions and make disclosures as required under applicable laws and RBI regulations.

6. Borrower Declarations

The Company may obtain declarations from borrowers regarding their relationship with any Director, Senior Officer or related party of the Company wherever considered necessary.

In case any declaration is subsequently found to be false or misleading, the Company may initiate appropriate action including recall of the loan facility.

7. Restricted Lending Activities

The Company shall not:

- Grant any loan or advance against the security of its own shares.
- Grant any loan against debentures issued by the Company.

8. Legal Entity Identifier (LEI)

Where applicable under RBI regulations, the Company shall ensure that eligible non-individual borrowers obtain and maintain a valid Legal Entity Identifier (LEI).

The Company may refuse sanction, renewal or enhancement of facilities where LEI requirements are not complied with.

9. Security Documentation and CERSAI Registration

The Company shall ensure that all security interests created in its favour are properly documented and, wherever required under law, registered with CERSAI or any other statutory authority.

Appropriate records relating to creation, modification and satisfaction of security shall be maintained.

10. Monitoring and Review

The Company shall periodically monitor its loan portfolio and review the performance of borrowers.

Any material deterioration in repayment capacity, security coverage or portfolio quality shall be appropriately addressed through corrective measures, including restructuring, recovery action or legal proceedings, wherever necessary.

11. Reporting to the Board

The Board shall be periodically informed regarding:

- Significant credit exposures;
- Loans granted to Directors, Senior Officers and related parties;
- Material credit risk issues;
- Regulatory compliance matters relating to credit operations.

12. Review of Policy

This Policy shall be reviewed by the Board of Directors at least once every year or earlier if required due to changes in RBI regulations, business requirements or legal provisions.

13. Interpretation

Any matter not specifically covered under this Policy shall be governed by the provisions of the Reserve Bank of India Act, 1934, the Companies Act, 2013, RBI Directions and other applicable laws.

In case of any inconsistency between this Policy and applicable law, the provisions of the applicable law shall prevail.