AJIVIKA FINANCE LIMITED

RBI REGISTERED NBFC

RBI CERTIFICATE OF REGISTRATION NO. B-12.00476

CREDIT POLICY

Issue and Effective Date: 1st October 2026

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1. OBJECTIVE AND SCOPE OF THE POLICY

i. Ajivika Finance Limited (Company) is registered with the Reserve Bank of India (RBI) as a non-deposit accepting NBFC. Being an NBFC, it must comply with Guidelines/ Directions issued by RBI from time to time. The Company's Credit Policy is the framework that defines the principles for its lending business. The Company shall duly implement and keep the Credit Policy, including the Appendices and any amendments, up-to-date in accordance with any regulatory, corporate, or other legal requirements.

ii. The objectives of this Policy are as follows:

- To create standardized policies and procedures for the lending activities of Ajivika Finance Limited.
- To institute due diligence to mitigate the level of credit risks and improve credit quality.
- To define the overall risk appetite.
- To establish an underwriting framework, including maximum credit limits, risk limits, etc.
- To ensure thorough credit appraisal and proper monitoring of all outstanding credits, including supervision and recovery.
- This Credit Policy provides an overall description of all stages of the lending process.

iii. Ajivika Finance Limited will operate according to the highest ethical and compliance standards and follow best practices in the industry. No contravention of laws or regulations will be tolerated.

2. BUSINESS STRATEGY AND BUSINESS OPERATIONS

i. Ajivika Finance Limited's operations must be financially sustainable, where all expenses are met from income earned on credit extended, in addition to income from investments and service fees. The Company may give credit to any Body Corporate(s), firm(s), or individuals.

ii. Business Segments:

- **Personal Lending:** The Company aims to extend credits to the public for personal needs, including consumer durables, travel, marriage, and other expenses. The Credit Policy defines customer segments, purpose of credit, approval processes, and interest rate determination.
- **Corporate Lending:** The Company can provide credits to Body Corporate(s), firm(s), and non-individual entities for business purposes like working capital, business expansion, or new setups.
- **Other Segments / Credit Products:** The Board may determine product parameters and set limits on total book size for each product. The Credit Policy aligns with the Fair Practices Code prescribed by RBI.

iii. Sanctioning Authority:

- The Board of Directors is the sanctioning authority and may delegate power to the credit manager for case-by-case approval, covering aspects such as purpose, size, interest rates, and repayment terms.
- Sanctions by the credit manager will be reviewed and ratified by the Board in ensuing meetings.
- The Board may directly approve any credit or Policy feature.

3. PURPOSE OF CREDIT

i. The Company will cater to both existing customers and open market customers, fulfilling their financing needs, including consumer durables, cash credits, and other lending products.

ii. The Company may extend credit to corporate entities for business needs within its risk appetite and regulatory framework.

4. CUSTOMER SELECTION

Credits may be provided to:

- Salaried Employees of Public Sector Institutions/Companies/Undertakings
- Salaried Employees of Private Sector Companies
- Self-Employed Individuals
- SMEs and Body Corporates

5. CREDIT UNDERWRITING

The process from customer request to final approval includes:

i. **Credit Approval Process:**

- **Credit Application:** Customers submit a form offline or online through the mobile application.
- **KYC Document Verification:** Submitted documents are analyzed through technological or human resources.
- **Credit Appraisal:** Additional documents like income statements, PAN, Form 16, and tax returns may be required.

ii. **Final Decision on Sanction:**

- Ajivika Finance Limited holds the final decision after assessing the customer's creditworthiness. Credit shall be granted based on the ability and intention to repay.

iii. **Processing Fee:**

Processing fees are charged as per applicable rates and revised prospectively.

iv. **Other Charges:**

- **Prepayment Charges/Credit Foreclosure:** up to 5% + GST
- **Penal Charges:** up to 3% of EMI per month
- **PDC/ECS Swap Charges:** up to ₹500 + GST
- **Credit Cancellation Charges:** up to 5% of loan amount + GST
- **EMI Bounce Charges:** up to ₹1,000 + GST
- **Legal Charges:** On actuals (if any)

6. TENOR

Retail credits are granted for a tenor of not more than 5 years.

7. DETERMINATION OF INTEREST RATES

i. The base interest rate includes cost of funds, operational costs, and the minimum rate of return desired, with a spread for risk premiums.

ii. Other factors:

- Interest accrues periodically but no less than monthly.
- Fees may be levied upfront or at intervals.
- Effective interest rates must be clearly communicated.

iii. The rate of interest depends on:

- **Company Factors:** Cost of funds, operational and technology costs, planning objectives.
- **Customer Factors:** Credit Bureau rating, credit history, alternate data results, applied amount, and credit tenor.
- **External Factors:** Competition and market benchmark rates.
- **Other Factors:** Annualized rates, disclosures, and web updates.

8. CUSTOMER JOURNEY

Ajivika Finance Limited offers two customer engagement methods:

1. Independent through the web or mobile app.
2. Assisted through web/offline modes in affiliated stores or branches.

9. PRE-APPROVED CUSTOMERS

The Company may approach customers based on creditworthiness data, credit bureau results, or alternative data sources, offering pre-approved credits.

10. GENERAL INFORMATION

i. Customers will be informed about credit terms and charges before sourcing the application. No credit application is processed without written consent.

ii. The Company will not discriminate based on gender, caste, or religion, but may develop schemes for specific groups.

iii. Sanction letters, repayment schedules, and relevant documents will be sent to customers.

iv. Customers will be informed of account status prior to it becoming an NPA.

11. REPORTING TO CICs

Ajivika Finance Limited will submit and update credit information for borrowers to all Credit Information Companies (CICs) on a monthly or shorter interval.

12. PERIODIC UPDATION

The Credit Policy will be reviewed annually or as needed.