

**CHARTERED FINANCE & LEASING LTD.
(CFL)**

(“NBFC/ B-13.02480”)

CONTINGENCY FUNDING PLAN

SUMMARY OF POLICY

Particular	Details
Policy Name	Contingency Funding Plan
Version	V2
Latest Approval/Review Date	07 th April, 2026
Review Cycle	Annually
Approver	Board of Directors of Chartered Finance & Leasing Ltd

VERSION HISTORY

VERSION NO.	APPROVAL	VERSION DESCRIPTION	REGULATORY REFERENCE	REMARKS
I	11 TH July, 2025	2025	RBI Regulation	Policy adopted by the Board
II	07 th April, 2026	2026	RBI Regulation	Policy adopted by the Board

Contingency Funding Plan

Introduction

Our company formulated this Contingency Funding Plan in line with the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, as amended from time to time, for responding to severe disruptions which might affect our Company's ability to fund some or all of its activities in a timely manner and at a reasonable cost.

Contingency Funding Plan

We maintain a minimum liquidity of 2 month's borrowing repayments as well as monthly running expenses including salaries, admin cost and other misc. expenses. This liquidity is maintained in the form of liquid investments in the Mutual Funds, Bonds and Debentures, other investable liquid securities and short- term fixed deposits with Banks. We also have limits from banks in the form of Overdraft against the Fixed Deposit made with them. This enables us to draw money for a short-term period instead of pre-maturing the fixed deposits. This helps us to maintain the requisite liquidity on a regular basis.

In the event the requisite liquidity of 2 months' outflow (as set out above) is not otherwise available, the Company's escalation sequence for meeting the shortfall shall be as follows: as the first recourse, the Company shall draw upon the overdraft facility available against its Fixed Deposits; if the shortfall persists notwithstanding such drawdown, the Company shall, as the second recourse, liquidate some of its listed investments to the extent necessary. Recourse to liquidating investments shall be initiated by the Board in the adverse scenario.

The Contingency Funding Plan shall contain details of available / potential contingency funding sources and the amount / estimated amount which can be drawn from these sources, and the lead time needed to tap additional funds from each of the contingency sources, as follows: (a) overdraft against fixed deposits – up to 90% of the fixed deposits under lien, with a lead time of one working day; (b) redemption of units of liquid, overnight and other debt mutual funds – up to 100% of the holding, with a lead time of one to two working days; (c) sale of Government securities, treasury bills and

listed investment-grade bonds and debentures – market value less a haircut of 5%, with a lead time of one to three working days; (d) undrawn sanctioned bank lines, if any – up to the undrawn amount, with a lead time of one to two working days; and (e) liquidation of listed equity investments, as the second recourse initiated by the Board – market value less a haircut of 25%, with a lead time of two to three working days. The ALCO shall update the amounts available under each source at the end of every quarter and place them before the Board.

The Contingency Funding Plan shall contain clear escalation / prioritisation procedures detailing when and how each of the actions can and should be activated. The Contingency Funding Plan shall be activated on the occurrence of any of the following triggers:

- (a) a breach of the liquidity risk tolerance or of the internal liquidity limits approved by the Board, including the requisite liquidity of 2 months' outflow set out above;
- (b) sustained negative mismatches in the Structural Liquidity Statement beyond the tolerance limits prescribed under the RBI Directions on Asset Liability Management or the internal limits approved by the Board;
- (c) a downgrade in the credit rating of the Company or of any of its instruments;
- (d) inability to roll over or raise borrowings in the normal course, or a significant increase in the cost of funds; or
- (e) market-wide liquidity stress or disruption in the funding markets.

On the occurrence of any trigger, the ALCO shall assess the situation and initiate the actions in the sequence set out above, and shall immediately escalate the matter to the MD & CEO. Where the stress persists notwithstanding such actions, or recourse to the liquidation of investments is required, the matter shall be escalated to the Board, which shall decide on the further actions to be taken.

Review of Contingency Funding Plan

The Contingency Funding Plan shall be reviewed by Asset Liability Management Committee as and when required.