

**POLICY ON DEMAND / CALL LOAN**

The Company extends inter corporate deposits, short term/long term loans, which are both secured/ unsecured in nature and are repayable either after a stipulated period of time or on in the nature of demand/call loan. Demand/Call loans offer better maneuverability to both customer and lender in handling the credit requirements. For customers whose requirements for funds are for short term and temporary, but frequent in nature, the demand loans are better option as it would meet the purpose. For the company as a lender it would help in meeting the customer requirements and help in deploying surplus funds for short term and also to plan its funds flow in a seamless way. Further, in case of any sudden and upward movement in cost of funds, it would offer an exit option for both the borrower and lender.

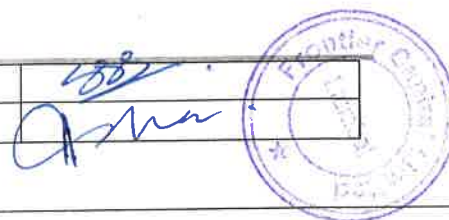
In terms of Para 7 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Board of Directors of every non- banking financial company granting/ intending to grant demand/ call loans are required to frame a policy for the company and implement the same.

Keeping the benefits in view and in order to exploit the business opportunities the demand loans may open up, a policy on extending demand / call loans per se is detailed out as under:

1. Demand / Call loans would be considered by the company both under Secured loan as well as unsecured loan segments.
2. The demand / call loans can be considered under inter corporate deposit, business loans, personal loans, etc. The products where demand/ call loan facility to be offered along with EMI based facility would be reviewed from time to time.

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Approved By:	Usha Iyengar : Director





3. Maximum Period for a demand / call loan would be 12 months from the date of sanction of such loan (i.e. the period within which the demand/ call would be made for repayment, termed as "stipulated period"). For each case, such "stipulated period" needs to be decided and specified in the sanction.

4. In case no call / demand is made prior to the expiry of stipulated period, then the loan shall be deemed to be called/ demanded on such expiry date and shall be repaid accordingly.

5. The interest would be applied on monthly/quarterly basis. In case no interest is stipulated or a moratorium is granted, reasons in writing shall be recorded at the time of sanctioning demand or call loans.

6. Demand / call loans may be considered on fixed interest or fluctuating interest rate basis, which shall not be less than the bank rate and further depending upon the risk profile of the borrower and prevailing market rates.

7. Either side would give 15 working days' notice to the other side for intended repayment / demanding / calling for repayment. During this 15 days period no additional interest/ penal interest would accrue. In case the repayment is not made within the 15 days, then additional rate of interest of 1% to 3% per month, as specified in loan agreement, over and above the original rate would be collected from date of demand / call till it is paid off.

8. All the demand / call loans having stipulated period beyond 6 months shall be subjected review of performance at the end of 6 months. Such demand or call loans shall not be renewed unless the periodical review has shown satisfactory compliance with the terms of sanction.

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9. At least 15 days prior to the end of the stipulated period, the loans would be reviewed to decide on whether demand / call should be made on due date or further renewal of the loan either in full or part to be considered for any period, not exceeding 12 months. In case the loan is renewed, then it should be considered as a new demand / call loan. Necessary renewal papers would be obtained.

10. In case the interest is not serviced on due date or the loan is not paid off after being called up / demanded, then the loan would be treated as non-performing if such overdue status continue for more than 180 days from such date and would be provided for according to the policy of the company. The borrower wise NPA classification would also be applicable although no call/ demand is made for any particular loan.

11. Maximum amount for each of the demand/ call loan and the aggregate amount of the demand / call loan would be subjected to a review periodically, at least on annual basis, by the Board of Directors. This policy should always be read in conjunction with RBI guidelines, directives, and instructions. The company will apply best industry practices so long as such practice does not conflict with or violate RBI guidelines.

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