

VSJ INVESTMENTS PRIVATE LIMITED
DEMAND AND CALL LOAN POLICY

Version	Updates	Reviewed Date	Approved by
2024	Demand and Call Loan Policy	21/05/2024	Board of Directors

The RBI vide its Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016 provides that the Board of Directors of every Non-Banking Financial Company (NBFC) granting / intending to grant demand/call loans shall frame a policy in this regard and implement it. The company has framed and adopted the following policy on extending demand/call loans:

1. VSJ Investments Pvt Ltd (the Company) will grant Demand/Call loans to the entities having a good track record, financial soundness and/or good rating.
2. Demand/call loans would be considered by the Company under unsecured loan segments.
3. The period for a demand/call loan will be decided and specified in the sanction memorandum / advice (will be termed as stipulated period).
4. A log of due dates for cut-off dates of each of the demand/call loans shall be maintained by the Company.
5. In case no demand/call is made prior to the expiry of the stipulated period, then the loan shall be deemed to be called/demanded on such expiry date and shall be repaid accordingly.
6. A suitable clause empowering such demands/calls to be made for repayment will be incorporated in the loan agreement.
7. The mode and authority of making the demand or call for repayment of the loan would be as decided, documented and adhered to by the parties.
8. Demand/call loans may be considered on fixed interest, or a fluctuating interest rate basis pegged to any anchor rate as may be agreed upon. The interest rate would be decided on case-to-case basis considering the prevailing market rate and such interest shall be payable monthly or quarterly or as per prevailing business practices. However, the interest may at the option of the Company be collected on quarterly payment basis, which shall be specified in the approval.
9. The Company may monitor the end use of funds borrowed by the borrower.
10. Either side would give three (3) working days' notice to the other side for intended repayment / demand/call for repayment. During this three-day period, no additional interest / penal interest would accrue. In case the repayment is not made within the three days, then an additional rate of interest above the original rate would be collected from the date of demand/call till it is paid off.
11. At least 15 days prior to the end of the stipulated period, the loans would be reviewed to decide on whether the demand/call should be made on the due date or further renewal of the loan either in full or partially is to be considered for any period shall be documented. In case the loan is renewed, then it should be considered as a new demand/call loan although it may continue under the same customer / loan account number. However, necessary renewal papers would be obtained.
12. In case the interest is not serviced on the 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 continues for more than 90 days from such date. The necessary provisioning will be in accordance with the RBI guidelines.
13. The maximum amount for each of the demand/call loans and the aggregate amount of the demand/call loans would be subjected to a periodic review, at least on yearly basis, by the Board.

14. This policy can be altered/revised as per changes in the market scenario and/or statutory guidelines.
15. This policy should always be read in conjunction with RBI Guidelines, Directives and Instructions issued from time to time.
16. The Company will apply the best industry practices so long as such a practice does not conflict with or violate the RBI Guidelines.