RAGINI FINANCE PRIVATE LIMITED

DEMAND CALL LOAN POLICY

Keeping the regulatory requirement in view, a policy on extending demand / call loans per se is detailed out as under:

1. Ragini Finance Private Ltd (the Company) will grant Demand/Call loans to the entities having good track record, financial soundness and/or good rating.

2. Demand / Call loans would be considered by the Company both under Secured loanas well as unsecured loan segments.

3. Sanctioning authority, for all types of loan, can be any one of the Director. Loan amount permitted, for all type of loan, is Rs. 50 Crore max to a single customer, in aggregate and in single trench Rs. 25 Crore. Loan sanctioned shall be reported to the Board of Directors for noting in next board meeting.

4. The Demand / Call loans can be considered under business loans, inter-corporate deposits, trade advances, inventory funding, loans against shares & securities, etc. It is clarified that Company shall not extend any demand/ call loan for

   - making application in Initial Public Offer, or
   - Gold loan.

5. Maximum period for a Demand / Call loan would be **12 months** from the date of disbursement of such loan (i.e. the period within which the demand / call would be made for repayment-termed as stipulated period).

6. A Log of due dates for cut-off dates each of the Demand / Call loans to be maintained.

7. In case no Demand / Call 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.

8. Suitable clause empowering such demands / calls made for repayment would be incorporated.

9. The mode and authority of making the demand or call for repayment of the loan would be as decided, documented and adhered to.

10. Demand / Call loans may be considered on fixed interest or fluctuating interest rate basis pegged to any anchor rate as may be agreed upon. Interest rate would be decided on case to case basis, in the range of 9% to 12%, considering the prevailing market rate, profile of the customer, tenor of loan, past track record, external rating, nature and value of collateral security and such interest shall be payable quarterly or as per prevailing business practices.

11. The interest would be applied on monthly basis as done in other cases. Generally the interest would be serviced on monthly basis. However, the interest may at the option of the Company be collected on quarterly payment basis which shall be specified in the approval.

12. The sanctioning authority shall, record specific reasons in writing at the time of sanctioning demand or call loan, if no interest is stipulated or a moratorium is granted for any period.

13. The Company may monitor the end use of fund borrowed by the borrower.

14. Either side would give seven (7) working days' notice to the other side for intended repayment / demanding / calling for repayment. During this 7 days period no additional interest / penal interest would accrue. In case the repayment is not made within the 7 days, then additional rate of interest of 2% over and above the original rate would be collected from date of demand / call till it is paid off.

15. All the demand / call loans having stipulated period beyond 6 months shall be subjected to review of performance at the end of 6 months.

16. 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 and the same shall be documented. In case the loan is renewed, then it should be considered as a new Demand / Call loan although the same may continue under same customer / loan account number. However, necessary renewal papers would be obtained.

17. 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 continues for more than 3 months 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.

18. Maximum amount for each of the demand / call loan and the aggregate amount of the demand / call loan would be subjected to a periodical review, at least on an annual basis, by the Board.

19. Loan Provisioning / Write off
    - Provisioning: The Company will make provisions for the loan in accordance with the RBI guidelines and accounting standards.
    - Identification of Uncollectible or Irrecoverable Loans: The credit / risk committee will identify loans that are deemed uncollectible (A loan that is deemed uncollectible due to the borrower's insolvency, bankruptcy, or other circumstances that make it unlikely that the loan will be repaid) or irrecoverable (A loan that is deemed irrecoverable due to the borrower's default,

non-payment, or other circumstances that make it unlikely that the loan will be recovered) based on the borrower's credit history, payment behavior, and other relevant factors.

- Review and Approval: The identified loans will be reviewed and recommended for write-off by the Credit Committee. Criteria to write off are
    - The borrower is insolvent or bankrupt.
    - The borrower has defaulted on payments for an extended period.
    - The borrower's creditworthiness has deteriorated significantly.
    - The loan is deemed irrecoverable due to other circumstances.
- Write-Off: Based on the recommendation Board to approve the write off. The loan will be written off from the books of account.
- Reporting: The loan write off will be appropriately reported in CIC returns or any other authority as may be required.
- Write off of loan shall not mean that Company's right to refund of loan is extinguished. It's right to receive back the refund of loan remain intact.

20. The policy can be altered / revised as per changed market scenario and /or statutory guidelines or annually, as may be applicable.

21. This policy should always be read in conjunction with RBI guidelines, directives and instructions.

22. The Company will apply best industry practices so long as such practice does not conflict with or violate RBI guidelines.

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