

# **ABANS FINANCE PRIVATE LIMITED**

## **DEMAND/CALL LOAN POLICY**

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## **I. PREFACE**

Abans Finance Private Limited (the 'Company') is a subsidiary of Abans Holdings Limited and has a Certificate of Registration from RBI enabling the Company to carry on its business as a Non-banking Finance Company (NBFC) and is further classified as a Systemically Important Non-Deposit taking Company.

Pursuant to RBI Master Direction No. DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 as amended i.e. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016 including any amendments thereof, the Company has put in place the Demand/Call Loan Policy.

## **II. APPLICABILITY**

The Demand/Call Loan Policy shall govern all Demand/Call loans, if any given by the Company.

## **III. SCOPE OF THE POLICY**

The said Policy shall inter-alia stipulate the following:

1. The Company shall grant the Demand/Call loans to the entities having good track record and financial soundness.
2. The Company will provide a cut-off date i.e. 1 day to 12 months within which the repayment of demand or call loan shall be demanded or called up. The demand or call loan may be renewed for a further period extending upto 3 months at a time, as per decision of the sanctioning authority.
3. The sanctioning authority i.e. Board of the Company or any Committee constituted in this regards, shall record specific reasons in writing at the time of sanctioning demand or call loan, if the cut-off date for demanding or calling up such loan is stipulated beyond a period of one year from the date of sanction of such loans.
4. The rate of interest payable on the demand and call loans shall be determined by the sanctioning authority within a range of 9% -18% and such interest shall be payable as determined by the sanctioning authority.  
Interest on such loans, as stipulated shall be payable either at monthly or quarterly rests.
5. 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.
6. A cut-off date, for review of performance of the loan, not exceeding 3 months commencing from the date of sanction.
7. Periodic review shall be made for such loans and such loans shall not be renewed unless the periodical review has shown satisfactory compliance with the terms of sanction.

#### **IV. AMENDMENT**

The Board of Directors of the Company reserves the power to review and amend this Policy from time to time, subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.