

YES CAPITAL (INDIA) PRIVATE LIMITED

POLICY ON DEMAND/CALL LOAN

As per the Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as notified vide Master Circular no RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 dated 1st September 2016 issued by Reserve Bank of India, the Board of Directors of every Core Investment Company granting/intending to grant demand/call loans shall frame a policy on demand and call loans for the company and implement the same.

Accordingly, YES Capital (India) Private Ltd ("the Company" or "YCPL") has framed a policy on extending demand / call loans as under:

1. Demand / Call loans would be considered by the Company both under Secured loan as well as unsecured loan segments.
2. Demand / Call loans can be considered under business loans, trade advances, inventory funding, loan against property/ other tangible assets, loans against shares & securities etc. This would be reviewed and approved from time to time by the Board of Directors of the Company.
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") or such other period as the Investment Committee may decide and approve. For each case, such "stipulated period" needs to be decided and specified in the sanction letter. The Investment Committee 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;
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. Suitable clause empowering such demands / calls made for repayment would be incorporated in the loan agreements and such other transaction documents.
6. The mode and authority of making the demand or call for repayment of the loan would be as decided, documented and adhered to.
7. Interest rates (whether considered on fixed or floating basis) will be determined as per the trends in the prevailing market and as per the Company's cost of funds. The interest would be applied on monthly basis. The Investment Committee 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;
8. Either side would give 3 working days notice to the other side for intended repayment / demanding / calling for repayment. During this 3 days period no additional interest/ penal interest would accrue. In case the repayment is not made within the 3 days, then additional rate of interest as may be decided by the Investment Committee over and above the original rate would be collected from date of demand / call till it is paid off.



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9. All the demand / call loans having stipulated period beyond 12 months shall be subjected review of performance at the end of 12 months.
10. At least 7 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. 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 be continued under same customer/ loan account number. Necessary renewal papers would be obtained.
11. 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.
12. 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 annual basis, by the Investment Committee.

This policy should always be read in conjunction with the RBI guidelines, directives, and instructions. The company will apply best industry practices so long as such practice does not conflict with or violate the RBI guidelines.



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