



# RAR FINCARE LIMITED

Policy on Demand/Call Loans (Version 1)

## Introduction

RAR Fincare Limited is registered with RBI as non-deposit taking Non-Banking Finance Company and is a Base Layered NBFC. The company is governed by the Companies Act, 2013 in addition to the oversight of the Department of Supervision (DNBS) of RBI.

## About the Policy

The Reserve Bank of India RBI vide its Master Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 provides for that the Board of Directors of every non-banking financial company granting / intending to grant demand / call loans shall frame a policy for the company and implement the same.

The loans provided by RAR FINCARE LIMITED (“Company”) to its borrowers are repayable on due dates as stipulated in the terms and conditions and documentation for the loan agreed between the Company and the borrowers.

## Policy

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

- The Company will grant Demand/Call loans to the entities having good track record, financial soundness and/or good rating inline with the Credit Policy ;
- Demand / Call loans would be considered by the Company both under Secured loan as well as unsecured loan segments;
- The Demand / Call loans can be considered under all kinds of loans provided by the Company in the normal course of its business;
- The sanctioning of all such loans shall be done in line with the Credit Policy and the sanctioning authority 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;
- The tenure and interest in respect of such loans shall be decided in line with the Credit Policy of the Company on case to case basis and interest on such loans, as stipulated shall be payable either at monthly or quarterly basis;
- 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;
- A cut-off date, for review of performance of the loan, not exceeding six months commencing from the date of sanction shall be maintained; and
- Any demand or call loans shall not be renewed unless the periodical review has shown satisfactory compliance with the terms of sanction.
- The Company shall monitor the end use of fund borrowed by the borrower.

The policy can be altered / revised as per changed market scenario and /or statutory guidelines and shall always be read in conjunction with RBI guidelines, directives and instructions. The Company shall always apply best industry practices so long as such practice does not conflict with or violate RBI guidelines.

## **Adoption**

This policy and any changes made during any review shall be adopted by the resolution of the Board of Directors. Any deviation to any clause of this Policy due to the urgency of an event or any other reason shall be made only with the approval of the CEO/CRO/CFO.

*Approved by the Board of Directors in its meeting held on February 20, 2025*

<i>Senior Management – Reviewer</i>	<i>Senior Management – Approver</i>	<i>Custodian</i>
<i>SD/- Chief Risk Officer</i>	<i>SD/- Chief Operations Officer</i>	<i>SD/- Company Secretary</i>
<i>SD/- Chief Financial Officer</i>	<i>SD/- Chief Executive Officer</i>	