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## VALUVANADU CAPITAL LIMITED

### DEMAND LOAN POLICY

Version Control		
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1	Policy	22.01.2024
2	Amended	11.01.2025

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**Policy Owner** : HOD, Credits

**Prepared by** : Credits Department

**Approved by** : MD, WTD & CFO

## Demand Loan Policy

### 1. Introduction:

Valuvanadu Capital Limited provides demand loans in accordance with the guidelines set by the Reserve Bank of India. **Demand loans are characterized by a specified tenure, but the repayment is based on the demand made by the company before the expiration of the tenure of the loan.** This policy outlines the terms and conditions governing demand loans at Valuvanadu Capital Limited.

### 2. Loan Tenure:

The tenure of the demand loan will be determined at the time of disbursal, with a maximum **tenure of seven years**. Exemption for the loan period, if any, shall be approved by the Director recording the reasons for the same. The repayment, including interest and principal, will be made on demand by the company.

### 3. Loan Purpose:

Loans are provided for all purposes other than agricultural purposes. Declaration shall be obtained from the customer to ensure the purpose of the loan. In addition to this field verification to be conducted in all loan accounts other than personal loans to ensure the end use of the loan amount.

### 4. Loan Disbursal:

Loan amount will be disbursed only through the bank account provided by the customer. Cash disbursements are not allowed.

### 5. Ceiling of Loan Amount:

In order to control the large number of loans to the same individuals, a ceiling for Rs.2,00,00,000/- (Rupees Two Crores Only) outstanding at a time per individual and maximum of 200 loan accounts disbursed per individual per year is fixed.

### 6. Repayment Terms:

Repayment of loan amount shall be made by the customer at any time or upon demand by the company. The customer is liable to pay the interest as per the terms of the loan agreement whenever it is due. There will be no monthly Equated Monthly Installments (EMI) processed for these loans.

**7. Renewal of Demand Loans:**

Customers may apply for the renewal of demand loans, and such renewals will be at the discretion of the company. **Customers are required to pay full loan amount including interest, if they apply for renewal at the end of tenure of the loan.**

**8. Advance Notice for Repayment:**

When demanding repayment, the company will provide the customer with at least 7 days' advance notice. This notice period allows customers to make necessary arrangements for repayment.

**9. Deviations from Policy:**

Any account requiring deviation from the terms outlined in this policy must obtain special approval from the Managing Director or WTD.

**10. Loan Performance Review:**

The management shall conduct a loan performance review at least once in every six months for all demand loans to assess their status and compliance with the terms of this policy. The review will also assess the borrower's financial condition and repayment capacity.

The company may take the necessary action based on the review findings, including demanding full repayment, or refusing to renew the loan.

**11. Conclusion:**

This Demand Loan Policy is designed to provide clarity and transparency in the terms and conditions governing demand loans at Valuvanadu Capital Limited. All employees and customers are expected to adhere to the guidelines outlined herein. Any changes to this policy will be communicated promptly to all stakeholders.

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