

POLICY ON DEMAND/CALL LOANS

(APPROVED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON 27TH SEPTEMBER, 2018 AND REVIEWED ON 16TH MARCH, 2021, 15TH MARCH, 2022, 20TH MARCH, 2023, 28TH SEPTEMBER, 2023 AND 20TH NOVEMBER, 2024)

The Master Direction-Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 dated 19th October, 2023 issued by Reserve Bank of India lays down 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.

HCL Corporation Pvt Ltd, a registered NBFC (“Company”) extends inter corporate loan to group companies (including related parties) for supporting them to pursue their operations and various projects undertaken by them. If the Company extends loan to Companies outside the group as an exceptional case, it will be granted with the specific approval of the Board of Directors of the Company based on credentials of the borrower and projects being undertaken by them.

Accordingly, the Company, a registered NBFC has framed a policy on extending demand/call loans on the following terms of references:

1. Demand / Call loans would be considered by the company both under Secured loan as well as unsecured loan segments.
2. The demand / call loans can be considered under business loans, trade advances, inventory funding, loans against shares & securities etc. This would be reviewed and approved from time to time by the group CFO/CFO/Finance Head of the Company.
3. The application prescribed for submission with the company for seeking loan by the borrower is attached to this Policy as **Annexure I**.
4. 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 group CFO/CFO/Finance Head may decide and approve for repayment of loan. For each case, such "stipulated period" needs to be decided and specified in the sanction memorandum/advice. The copy of sanction memorandum/advice is attached as **Annexure II**. The group CFO/CFO/Finance Head 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.
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. The grant of interest free loan to any group Company or any Company outside the group shall be subject to applicable provisions of the Companies Act or any other law for the time being in force.

6. 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.
7. A system of periodic review of risk categorization of accounts, with such periodicity being atleast once in six months has been put in place.
8. Suitable clause empowering such demands / calls made for repayment would be incorporated in the loan agreements.
9. The mode and authority of making the demand or call for repayment of the loan would be decided by the Board of Directors of the company.
10. The rate of interest which shall be payable on such loans. The interest rate would generally range from 0% to 12% per annum. Interest on such loans, as stipulated shall be payable either at monthly or quarterly rests.
11. The sanctioning authority/group CFO/CFO/Finance Head 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. The grant of interest free loan to any group Company, shall be subject to applicable provisions of the Companies Act or any other law for the time being in force.
12. At the discretion of the Board the Company may charge no interest or very nominal interest on loans to be granted to group companies (including related parties). Further, the Company shall not charge any additional or penal interest to aforesaid group entities on account of noncompliance of terms of loan agreements or for other reasons.
13. Either side would give 3 working days notice to the other side for intended repayment / demanding / calling for repayment.
14. All the demand / call loans having stipulated period beyond 6 months shall be subjected to review of performance at the end of 6 months.
15. 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. The said renewal/rollover of the loan shall be approved by Board.
16. The group CFO/CFO/Finance Head of the Company can delegate the powers and functions vested under this policy to one or more employees alongwith the manner of exercising/carrying out such powers or functions, as the case may be, as deemed fit.
17. 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.

HCL CORPORATION PRIVATE LIMITED

CIN: U74120DL2008PTC183849

A 9, Sector 3, Noida, 201301, U.P, India

Tel: +91 120 3667180

Registered Office: 806, Siddhartha, 96, Nehru Place, New Delhi – 110019

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18. The company shall obtain quarterly fund utilization report from the borrowers within 1 month from the Close of the Calendar Quarter, which shall be reviewed by the board at its ensuing meeting. Post review of the fund utilization report, the board shall take appropriate action if any variation is found in the utilization of fund against the purpose for which it is lent.

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Loan Application-cum-Appraisal Form

Annexure – I

Date:

Loan A/c No.

1.	Name of the Borrower/ Company					
2.	Registered Office Address					
3.	Telephone No.					
4.	E mail Address					
5.	PAN					
6.	Constitution (Private Limited Company/Limited Company/Trust)					
7.	Date of Incorporation/Constitution/DOB					
8.	State					
9.	Location of Project					
10.	Details of Directors					
S. No.	Name	Father's Name	Date of Birth	PAN No.	Residential Address	Experience in the line of activity (in Years)
1						
2.						

11.	Activities of the Borrower					
12.	Existing Credit Facilities applied to be rolled over/ renewed					
	Type of Facilities	Outstanding as on date (Rs. In Lakhs)	Securities	Rate of Interest	Repayment Terms	
	Secured Loan					
	Unsecured Loan					

13	Fresh Credit Facilities Applied for				
	Type of Facilities	Amount of Loan (Rs. In Lakhs)	Securities	Rate of Interest	Repayment Terms
	Secured Loan				
	Unsecured Loan				

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14.	Past Performance/Future Estimates (Actual performance for 2 previous years, estimates for current year and projections for next year to be provided.)				
	Rs. In Lakhs	Past Year	Past Year 1	Present Year (Estimates)	Next Year (Projection)
	Sales/ Business Income				
	Profit/ (Loss)				

15.	Status regarding Statutory Obligations	
16.	ID Proof of the Company	
(a)		
(b)	Address Proof	
(c)	Copy of PAN	
(d)	Memorandum & Articles of Association of the company	
(e)	Last 2 years Balance Sheets	
(f)	Previous Year Income Tax Return	
17	Rational/Justification for Interest free loan	
18	Purpose of Loan	

Declaration:

1. We hereby Certify that all information furnished by us is true;
2. We undertake that loan funds will be utilized only for the purpose for which it is sanctioned.
3. We shall furnish all other information that may be required in connection with your loan application.

Signature of Borrower

Received on: _____

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Appraisal/ Re-commendations:

Signature of Appraiser

Comments of Chief Risk Officer:

Signature of Chief Risk Officer

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Annexure - II

SANCTION MEMORANDUM/ADVICE**HCL Corporation Private Limited****Registered Office: 806, Siddharth, 96,****Nehru Place, New Delhi - 110019**

Date:

Name of Borrower:

Address:

Ref: Your Loan Application dated _____

Loan A/C No. _____

Sub: Interest Free Unsecured Loan of Rs _____

Dear Sirs

This has reference to your application for grant of the captioned credit facility and justification submitted for interest free unsecured loan. We are pleased to inform you that your request for grant of the Credit facility has been approved by the board of the company at its meeting held on _____ as under:

Nature of Credit Facility	Amount of Outstanding Loan, if any as on 31st March, _____ and rolled over for further 12 months (In Lakhs)	Amount of Fresh Loan Sanctioned For 12 months	Tenure and Terms & Conditions

The Grant of the aforesaid credit facility shall be on the following additional terms & conditions:

- 1.The fund shall be utilized for the purpose it is sanctioned.
- 2.The borrower shall submit a fund utilization report to the Board of the Company on Quarterly basis.
3. 31st March, _____ shall be the cutoff date within which repayment of demand or call loan shall be demanded or called up unless renewed/ rolled over for further period.

Yours faithfully,**For HCL Corporation Private Limited****Authorised Signatory****HCL**