

**Avon Mercantile Limited**  
**(CIN:[ L17118UP1985PLC026582])**

**DEMAND/CALL LOANS POLICY**

**(Adopted/Reviewed and Approved by the Board as on 30th May, 2023)**

**1. Background:**

Grant of Demand/Call Loan within the permissible (RBI) prudential exposures limit shall be solely at the discretion of the Management of the Company. No question may be raised on the validity of this Demand Loan Policy or for any of the terms and conditions on which a demand/call loan is sanctioned.

**2. Tenure of Demand/Call Loan:**

The Company may provide demand / call loans with a maximum tenure of fifteen years from the date of sanction of the loan. A demand/call loan can be demanded/called back at any time as per terms of agreement with the customer.

**3. Sanctioning Authority:**

- i.) Sanctioning authority will be basis authority delegated by CEO as decided from time to time
- ii.) Any grant of demand and call loan which exceeds the RBI prudential exposure ceiling, as a special case, shall have to be approved by the Board of Directors explaining rationale of the loans and setting up term and conditions for the loan.

**4. Rate of Interest/Charges:**

The rate of interest and other charges to be levied shall be determined by the Company and delegated authority to product/risk in consultation with business head from time to time keeping in view the RBI Guidelines and commercial considerations of the Company. However, the interest shall be payable either on monthly or quarterly rests, as may be agreed upon with the customer from case-to-case basis.

**5. Performance** of the loans shall be reviewed on periodic basis.

**6. Renewal of Demand/Call Loan:**

The demand/call loans may be renewed at the request of the customer/client and at the discretion of sanctioning authorities. Fresh loans may also be granted after repayment of the existing loans with appropriate change in terms and conditions as may be deemed necessary after proper appraisal of the proposal.

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