

**RELIANCE VENTURES LIMITED**

**LOAN POLICY**

**LOAN POLICY/ PARAMETERS**  
**Reliance Ventures Limited**

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**1. INTRODUCTION AND OBJECTIVE**

The purpose of making loans is to earn income from interest earnings and / or avail benefit of capital appreciation or both, on case to case basis.

In terms of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 Non-Banking Financial Companies (NBFCs) are expected to exercise due diligence and care in all its lending decisions.

In accordance with the above, the Board of Directors of Reliance Ventures Limited (herein after referred to as “Company” or “RVL”) frame broad guidelines for decisions to make loan as well as to inculcate the operational efficiency.

The objective of the Company to make loans is to get reasonably good returns on the basis of sound lending decisions.

The Board of RVL approved the Loan Policy at its meeting held on December 10, 2012 and further reviewed the same at its meeting held on January 15, 2015 and further reviewed on April 15, 2019. The Policy was further reviewed and revised by the Board at its meeting held on July 20, 2021. The Policy was further reviewed and revised by the Board at its meeting held on January 18, 2022.

## **2.REGULATIONS**

During the course of its operations, the Company will strictly adhere to various guidelines as may be stipulated from time to time, by the Reserve Bank of India (RBI). These guidelines will include:

- ◆ Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 “Master Directions”
- ◆ Adherence to Anti Money Laundering Standards (AML) – Prevention of Money Laundering Act, 2002 as amended, read with the relevant rules and obligations of NBFCs.
- ◆ Guidelines on fair practices code for NBFCs
- ◆ Circulars, Guidelines and Clarifications as may be issued from time to time by Reserve Bank of India.

Pursuant to any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines / norms / clarifications or in any other applicable acts / regulations, if there is any change in any of the parameter(s) framed by the Board, then the act / regulation will have overriding effect on the parameter(s).

### **3. Terms & Conditions governing the making of Loans**

**Definition:**

The term "Loan" shall include any loan in the form of inter corporate deposits, term loans, facilities, financial assistance or any other form of lending of Company's funds. The loan may be short term or long term in nature.

**Purpose:**

The purpose of the Company to make loans is to earn income from interest earnings or avail benefit of capital appreciation or both, on case to case basis.

**Borrower:**

The Company may give loan to any Body Corporate(s), firm(s), Individuals, etc.

**Credit analysis of the Borrower:**

The Company shall sanction the loan after reviewing the financial strength of the borrower. The repayment capacity of the borrower will be assessed based on his past performance as well as his future plans and projections. The Company will be taking the CIBIL score at least once a year and certainly at the time of any adverse credit event in respect of all borrowers including in the case of Group Companies.

**Sanctioning Authority:**

- Investment and Lending Committee (herein after referred to as 'Authority' or 'the Committee') shall be the sanctioning authority. Authority may approve the proposal from any other sector on case to case basis covering the entire spectrum of aspects viz. Purposes, size, interest rate, term, repayment terms, and security required and any other conditions will be as decided by the Committee.
- The sanctions accorded by the ILC shall be placed before the Board in their ensuing meeting for the purpose of review and ratification.
- If the Committee decides that any particular loan or any other feature of a program need to be placed before the Board, same can be placed before the Board for seeking their approval as well.

**Term:**

The Company shall make a short-term loan including inter corporate deposits for a period not exceeding one year. The maximum period of term deposit or

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other credit facilities shall not exceed 25 years from the date of disbursement of the loan.

#### **Nature:**

The loan to be made may be secured or unsecured. The Company may sanction Zero Coupon Optionally Convertible Loans (with an option to convert loan into equity shares of the Borrower where it is a company). The Company may also opt to subscribe to unsecured optionally convertible (fully or partly) debentures. The loan could also be in the form of assignment or securitization or discounting of receivables or bill discounting, in consonance with the RBI norms and best practice in the market.

#### **Request from the Borrower:**

The borrower desirous of availing loan shall make a request in writing to the Company. The Company may at its sole discretion either accept or reject the request. Wherever felt necessary, the Company may enter into an agreement to grant loan on such terms and conditions as are within the ambit of this policy. The Company may extend the term of an inter corporate deposit for a further period not exceeding in aggregate the period of one year. The loans sanctioned by other than the Board shall be placed before the Board for its noting, in the immediately ensuing meeting of the Board.

#### **Interest:**

The rate of interest on loans, where applicable, shall vary from 4.5% p.a. to 20% p.a. depending on the market conditions, availability of surplus funds with the Company and other circumstantial factors.

The Interest on the loan amount shall accrue and will become due and payable on monthly or quarterly basis depending upon case to case basis.

The sanctioning authority shall record specific reasons in writing at the time of sanctioning loans, in case no interest is stipulated or a moratorium for principal or interest is granted for any period.

#### **Repayment:**

The Loan may be repayable in one or more installments as per the terms agreed upon. However, the cut off date for repayment may be extended by the sanctioning authority for any particular case. Where such cut off date for repayment is extended beyond a period of one year from the due date, the sanctioning authority shall record specific reasons in writing for such extension.

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**Security:**

For secured loans, the borrower shall, in consideration of the loan given, create such security in favour of the Company as stipulated by it, including a demand promissory note, wherever applicable.

**Collaterals:**

In case it is felt necessary to strengthen the credit worthiness of the borrower, a co-borrower / guarantor may be considered.

**Default:**

In the event of any default made by the borrower the Company shall have sole and absolute discretion to charge such additional interest not exceeding 15 % p.a. on the amount due to it.

**Review of Performance:**

The sanctioning authority shall periodically review the performance of loans.