

CERTIFIED TRUE COPY OF BOARD RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF MEKASTER FINLEASE LIMITED IN THE BOARD MEETING HELD ON 15TH JULY 2022 AT 11.00 AM CONCLUDED AT 11.30 AM AT THE REGD. OFFICE 209, BHANOT PLAZA-II, 3 DB GUPTA ROAD, NEW DELHI-110055.

BOARD RESOLUTION: ADOPTING THE REVISED LOAN/LENDING POLICY AFTER MODIFICATION.

WHEREAS, RESOLVED THAT the company has duly reviewed the existing Loan Policy, which was earlier framed and adopted by the company vide resolution dated 12TH April, 2017. On perusal of the review, the Board has decided to make some certain changes/modifications in this Loan Policy.

NOW THEREFORE, BE IT RESOLVED, that the company has duly Revised/Revamped its existing loan policy and made certain changes/modifications in the existing Loan Policy as per the latest Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit.

FURTHER RESOLVED that the necessary changes being incorporated in the following matters/clauses which form the part of amended Loan Policy:-

1. Some more important aspects in respect to Credit,
2. Sanction & Appraisal,
3. Collaterals for loan,
4. KYC documentation,
5. Differential rate of interest,
6. Judicious exercise,
7. Parameter of sanction and appraisal
8. Sanction power & reporting to higher authority,
9. Power vested with the Board in respect to sanction of loans
10. Delegation of powers etc.
11. Transparency parameters i.e. rate of interest, eligibility of borrowers, repayment capacity

"RESOLVED FURTHER THAT any of the Board of Directors be and are hereby authorized to submit the policy to the Reserve Bank of India office, New Delhi and to do all such acts, deeds and things that are necessary to give effect to the said Resolution".

**CERTIFIED TRUE COPY
For Sunshine Capital Limited**

Director
DIN: 05187809



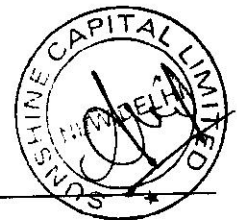


Loan Policy

— (Revised) —

Sunshine Capital Limited

**Duly approved by the Board of Directors vide resolution
dated 15th July, 2022**



Revised as per RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17

Summary of Policy

Policy Name	Loan Policy or Lending Policy
Issue and Effective date	Master Direction DNBR.PD.008/03.10.119/2016-17 dated February 17, 2020
Date of Policy Framed & adopted	12 th April 2017
Date of last review	15 th July, 2022
Date of current review	15 th July, 2022
Date of next review	On or before August, 2023
Periodicity of review	Annual
Owner / Contact	Compliance
Approver	Board of Directors
Annexure	Appendix A: Maturity Profile Appendix B: Interest Rate Sensitivity



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Chapter-I

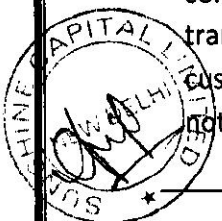
Preamble

The Reserve Bank of India (RBI) vide Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Updated as on February 17, 2020) and vide Master Direction DNBR.PD.008/03.10.119/2016-17 dated February 17, 2020 has advised the Boards of NBFCs to frame a appropriate Loan policy for the company and implement the same.

RBI directives can be studied in detail in various Master Circulars/Directions issued from time to time by the institute. This policy document on loans and advances outlines the guiding principles in respect of formulation of various products offered and terms and conditions governing the conduct of the account. It is expected that this document will impart greater transparency in dealing with the individual and corporate customers and create awareness among customers. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand. The Reserve Bank of India is empowered to issue licenses to Non -Banking Finance Companies (NBFC's) and further to issue directives/advices on loans and advances and other aspects regarding conduct of loan accounts from time to time. With liberalization in the financial system and deregulation of interest rates, NBFCs are now free to formulate loan products within the broad guidelines issued by RBI.

Accordingly, the company has formulated the loan policy and duly amended it time to time as and when required as per the guidelines. The existing loan policy which was earlier amended vide the resolution dated 12th/04/2017, and is being reviewed by the Board has been duly decided to totally revamped it, by inserting some more important aspects in respect to Credit, Sanction & Appraisal, Collaterals for loan, KYC documentation, Differential rate of interest, judicious exercise, parameter of sanction and appraisal sanction power & reporting to higher authority, power vested with the Board in respect to sanction of loans and delegation of powers etc.

This policy document on Loans & Advances outlines the guiding principles in respect of formulation of various products offered by "SCL" the terms and conditions governing the conduct of account, the delegated power to the committee/officials and other terms & conditions applicable to such loans. It is expected that this document will impart greater transparency in dealing with individual/corporate customer and create awareness among customers. The Company will apply best industry practices so long as such practice does not conflict or violate RBI guidelines in this regard.



Chapter-II

Company Profile

Sunshine Capital Limietd

(Hereinafter referred to as "SCL" or / "the Company")

The company is incorporated under the Companies Act, 2013 having registered office at New Delhi. The company has been incorporated in ROC –Delhi and registered as Non-Banking Financial Institution having a valid license. "SCL" being a registered NBFC with RBI has been primarily engaged into (a) Investing in equity/securities of listed and unlisted companies and (b) Lending activities.

"SCL" is categorized as Non-Deposit Taking Systematically Importance (Group NDSI) Non-Banking Financial Company. At Present, the RBI has classified as NBFC-ICC category.

(*As per RBIs notification, three categories of NBFC has been merged, these three categories of NBFC are Asset Finance Company (AFC), Loan Company and Investment Company. These three categories are merged into a new category called **NBFC- Investment and Credit Company (NBFC-ICC).**)

"SCL" may give loans against shares / liquid securities, promoter funding, personal loan, short/medium/long term corporate loans to SME and Mid-size corporate with or without security. "SCL" lending culture would be guided by the 'Fair Practice Code' as approved by the Board of Directors as also the approved Risk Policy and Know Your Customer (KYC) Policy. The Policy guidelines governing the lending activity of "SCL" are brought out in the following chapters. The policy guidelines would be reviewed annually delineating the focus areas of the Company.

Chapter-III

Approach to Lending

Subject to RBI guidelines applicable to NBFC-ND-SI Companies, the Board of Directors shall give directions relating to lending activity, policy, exposure limits to various segments of clients, IRAC norms and delegation of powers etc. Also, the provisioning should be made on the basis of the classification of assets based on the period for which the asset has remained non-performing and the availability of security and the realizable value thereof.



"SCL" would follow segmented approach to provide both market and customer focus for ensuring better business development, loan book growth, better capability building and best clientsatisfaction.

IMOPORTANT ASPECTS PERTAINING TO CREDIT

- I. "SCL" would give notice/to the borrower in the vernacular language (or in understandable English) understood by the borrower by means of sanction letter, loan agreement of any change in the terms and conditions including disbursement schedule, interest rates, services charges, prepayment charges (if applicable) etc.
 - i. "SCL" would also ensure that changes in interest rates and charges are affected prospectively.
 - ii. "SCL" will not collect any collateral security deposit against the unsecured loans.
 - iii. "SCL" will also ensure not resort to undue harassment for recovery of loans from the borrower/clients.
 - iv. "SCL" would form a separate Grievance Redressal System.
 - v. The amount of loan sanction along with the terms and conditions including the annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on record.
 - vi. The "SCL" will provide a copy of loan agreements/files (included all relevant document) preferably in vernacular language along with a copy of each enclosures quoted in the loan files to all the borrowers at the time of sanction/ disbursement of loan.
 - vii. The company will mention the penal interest charged (if applicable) for late repayment in bold in loan agreement for individual loans wherever applicable. However, late repayment and prepayment charges are not applicable for loans granted by the company.

The main principles underlying the Lending Policy would be applicable to the exposures undertaken within the country as the Board may decide from time to time.

Indicative Lending Architecture for "SCL" will be as under:

- i. Targeted Clients
- ii. Pre-screened Clients
- iii. Pre-sanction due diligence
Assessment of credit requirement



- v. Post Credit Appraisal
- vi. Financial Analysis for subsequent years
- vii. KYC document verification with originals or others
- viii. Standardized documentation
- ix. Delegation of powers
- x. Collateral for loans
- xi. Judicious Exercise
- xii. Reporting to higher Authority
- xiii. Post-sanction credit/ end use of fund monitoring
- xiv. Portfolio review / Loan Account review
- xv. Credit Rating Score or ratings
- xvi. Transparency in sanction
- xvii. Standard proposal form formats
- xviii. Valuation, ROC search
- xix. Recovery action in the event of default/NPA
- xx. Compliance with RBI /ROC / internal guidelines etc.

Chapter-IV

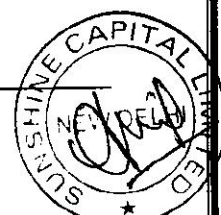
Types of Loan & Activity

“SCL” endeavor is to build a sustainable finance model that not only delivers high standards of service and value to our customer but is also rewarding to all our stakeholders. “SCL” is presently engaged in the business of finance. The company majorly deals in sale/ purchase of equity shares and investments.

Presently the company has few products in which it dealt. The company provides various types of loans. Such credit facilities are extended to different types of customers. The product profile of “SCL” will cover loans for short term upto 3 years and long term upto 5-7 years. The lending products would be classified broadly in the following categories:-

A. Corporate Finance Products:

- Corporate Loan/Project Finance/Business Loan/ICDs
- Loan Against Property
- MSME Loan
- Personal Loan
- Unsecured Loans



*** REASONS FOR PURSUING UNSECURED LOAN**

Unsecured loans are used primarily for small, short-term expenses, such as medical crises or wedding, Business miscellaneous expenses, expansion for business etc. The purpose of the loan does not affect the terms & conditions of the loan. The loan is usually intended to be repaid within a period of 3 to 7 years or before the end of the loan agreement, though the terms can vary depending on the amount at issue and the relationship between the lender and the borrower.

Simplicity is another reason to seek an unsecured loan. When only small amounts of money are at issue, it is not usually worth the hassle of transferring property titles and establishing a collateral relationship. A simple contract can often be the best way to proceed. There is no limit in law on the interest that the lender charges. We have provided for a greater rate of interest if the borrower falls behind with repayments.

B. Loan against Gold:

"SCL" does not deal in Loan against Gold, since its incorporation.

Chapter-V

Policy on KYC / AML Standards

'Know Your Customer' Standards' & Anti-Money Laundering ('AML') Guidelines

The objective of KYC guidelines is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures also enable the Company to know/understand its customers and its financial dealings better which in turn help it to manage its risks prudently. Thus, the KYC policy has been framed by the Company for following purposes:-

- ❖ To prevent the Company from being used, intentionally or unintentionally, by criminalelements for money laundering or financing terrorist activities;
- ❖ To enable the Company to know / understand its customers and their financial dealingsbetter, which in turn would help it to manage its risks prudently;
- ❖ To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws / laid down procedures and regulatory guidelines;



To take necessary steps to ensure that the dealing staff is adequately trained in KYC/AML procedures

All documents like identity proof, MCA search, address proof, TAN No., PAN No., ITRs, CIBIL, Balance Sheets, MOA, etc. are to be collected from borrowers and guarantors while considering the loan application/sanction the loan.

Chapter-VI

Pricing of Credit Facilities

The management understands that considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. Accordingly the pricing on loans and advances would be decided taking into account the above factors on case to case basis and will be charged on reducing balance basis for the tenure of the loan.

The rate of such Loan shall be 3% to 24% P.A payable either on monthly/quarterly/yearly on flat rate basis for the entire tenure.

The Company may adopt discrete interest rate model whereby rate of interest for same product or tenor availed by the clients would not be standardized one but could be different for different customers depending upon various factors like profile of customer, tenor of loan, cost of borrowing of funds, nature & value of collateral security, past track record, external rating etc., Creditworthiness, Financial Health/Net worth etc. Further, at their own sole discretion, Directors can approve the interest rate for any loan/advance outside/inside the range above, and these may vary at time of disbursement of loan.

Other Charges

In line with market practices, "SCL" does not levy various other charges like upfront fees, penal charges, prepayment charges, commitment charges, loan documentation charges, Cheque return charges, out of pocket expenses and review/renewal fees etc. Further, at their sole discretion, the management of the Company can reduce or waive all or any of the charges (if any).

Chapter-VII

Sanction Committee/Delegated Powers

The Company has formed a committee which shall be known as the Credit Committee ("the Committee"). The committee has appointed & delegated Mr. Virendra Jain (Director) of the company to Sanction, Review, and process loans. However committee members as mentioned as under.



Chapter- VIII

Sanctioning Authority

The Board of Directors has delegated all the powers of credit decision within the limits specified as given below to the Managing Director.

Chapter- IX

Review and Renewal of Loans

1. The loan facility would be due for renewal at the expiry of the loan tenure as specified at the time of loan sanction. The renewal of the loan facility would be at the sole discretion of the lender.
2. The renewal of the loan facility as aforesaid shall be on the same terms and conditions unless otherwise agreed by agreeing to new terms and conditions.
3. In case the loan is renewed, then it should be considered as a new loan, although the same may continue under same customer/loan account number and necessary renewal papers would be obtain.

Loan Repayment:

1. The loan amount shall become payable on the expiry of the loan term or as demanded by the lender before the expiry of the term loan
2. The loan shall be repayable as per the terms or unconditionally on demand at the lenders discretion and without giving any reasons whatsoever.
3. The loan can also be repaid by the customer at any time before the expiry of the loan.

Loan Repayment for demand loans:

1. The demand loan shall become payable within 90 days (or such short period as decided by MD) from the date of call back by the lender.
2. The demand loan shall become payable on the expiry of Five years from the date of sanction unless renewed before the expiry of Five years.
3. The demand loan shall be repayable unconditionally on demand at the lenders discretion and without giving any reasons whatsoever.



The loan can also be repaid by the customer at any time before the expiry of the loan.

Revised as per RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17

Chapter- X

Documentation and Security creation

The documentation and security creation for the loan will be done through reputed Advocates/Legal Advisors or Firms.

Chapter- XI

Restrictions on Funding

There are no specific restrictions on funding of loans & advances with regard to the customer profile, area/address/type of the borrower or guarantor, etc. But general prudence is to be observed during assessment / sanction of proposal. The Company shall insist on, but not stick to, lower funding and lower repayment tenure for loans and advances.

Chapter- XII

Assets Classification

The company shall after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization (if any), classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes, namely:-

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets

"Standard asset" shall mean:

The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business

"Sub-standard asset" shall mean:

- (a) an asset which has been classified as non-performing asset for a period not exceeding 18 months;
- (b) an asset where the terms of the agreement regarding interest and / or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms



"Doubtful asset" shall mean:

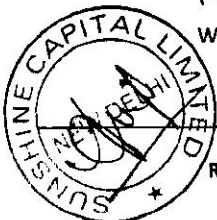
A term loan, or a lease asset, or a hire purchase asset, or any other asset, which remains a sub-standard asset for a period exceeding 12 months;

"Loss asset" shall mean:

- (a) an asset which has been identified as loss asset by the non-banking financial company or its internal or external auditor or by the Bank during the inspection of the applicable NBFC, to the extent it is not written off by the applicable NBFC; and
- (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

"Non-Performing Asset" shall mean:

- (a) an asset, in respect of which, interest has remained overdue for a period of 3 months or more;
- (b) a term loan inclusive of unpaid interest, when the installment is overdue for a period of 3 months or more or on which interest amount remained overdue for a period of 3 months or more;
- (c) a demand or call loan, which remained overdue for a period of 3 months or more from the date of demand or call or on which interest amount remained overdue for a period of six months or more;
- (d) a bill which remains overdue for a period of 3 months or more;
- (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans / advances, which facility remained overdue for a period of 3 months or more;
- (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of 3 months or more;
- (g) the lease rental and hire purchase installment, which has become overdue for a period of twelve months or more;
- (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower / beneficiary when any of the above credit facilities becomes non-performing asset.



Chapter- XIII

AMENDMENTS

The Board may amend the provisions of this Loan Policy from time to time. Unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.

Chapter- XIV

GRIEVANCES / COMPLAINTS

All customers & borrowers or guarantors, current or past, can and should contact the company's Nodal officer for any grievances or complaints (including complaints against any policy, employee or representative, etc.) by following means:

Grievance Redressal Officer	:	Mr. Surendra Kumar Jain
Designation	:	Managing Director
Regd. Office	:	New Delhi
Contact No.	:	9891709895
Email	:	sunshinecapital95@gmail.com

**For and On Behalf of
Sunshine Capital Limited
Director
Place: New Delhi**



