

Minolta FINANCE LIMITED

CIN:L65921WB1993PLC057502

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Minolta Finance Ltd Loan & Advance Policy

1. Purpose & Scope

This policy defines the principles, governance framework, approval powers, and procedures for sanctioning and managing loans and advances by Minolta Finance Ltd.

It covers:

- Sanctioning of loans, advances, and borrowings.
- Credit appraisal, documentation, interest rate determination, and review mechanisms.
- Committee-level authorities and escalation framework.

The policy is approved by the Board of Directors and shall be reviewed at least once a year or earlier, depending on regulatory or business requirements.

2. Governing Principles

In accordance with the RBI Master Directions applicable to NBFCs, Minolta Finance Ltd shall ensure:

- Transparency in all loan terms including interest rates, penal charges, and repayment schedule.
- Proper assessment of borrower creditworthiness, repayment capacity, and security.
- Written documentation of every sanction decision and communication of key terms to the borrower.
- Compliance with RBI Fair Practices Code for NBFCs and adoption of ethical lending practices.
- Maintenance of a Board-approved interest rate model based on cost of funds, margin, and risk premium.



3. Governance & Approval Framework

3.1 Committee Structure

- A **Loan & Advances Committee (L&A Committee)** shall meet **twice every month** to consider and sanction loans and borrowings within defined limits.
- The Committee has authority to approve:
 - **Loans and Advances:** up to ₹25 crore to single lender
 - **Borrowings:** up to ₹100 crore from single lender
- Any exposure exceeding the above limits shall require **prior approval of the Board of Directors.**
- A **Sub-Committee** consisting of:
 - **Mrs. Forum Jigar Gada – Executive Director (with sanctioning powers)**
 - **Mr. Arvind J. Gala – Non-Executive Chairman**
 - **Mrs. Shefali Gupta – Company Secretary and Compliance Officer**

shall review loan agreements, documentation, and determine applicable interest rates (monthly or quarterly).

- The Sub-Committee shall submit its reviews and recommendations to the L&A Committee and the Board for oversight.



3.2 Role & Responsibility Matrix

Authority	Key Responsibilities
Board of Directors	Approve policy, review loans or borrowings exceeding Committee limits, and monitor portfolio and compliance.
Loan & Advances Committee	Approve loans up to ₹25 crore from single lender and borrowings up to ₹100 crore from single lender ; oversee portfolio performance; meet twice monthly.
Sub-Committee	Review documentation, loan agreements, and interest rates; ensure regulatory compliance.
Credit & Risk Department	Conduct due diligence, assess borrower risk, ensure proper documentation, and track loan performance.

4. Lending and Borrowing Powers

- Loans and advances up to ₹25 crores from Single lender can be sanctioned by the L&A Committee.
- Borrowings up to ₹100 crores from Single lender can be approved by the L&A Committee.
- Any sanction exceeding these limits requires prior Board approval.
- Exposure registers shall be maintained to monitor compliance with RBI's exposure norms for single and group borrowers.

5. Credit Appraisal & Risk Management

- Each loan proposal shall undergo comprehensive appraisal covering financial analysis, business model, repayment capacity, security, and industry outlook.



- KYC and due diligence procedures shall be strictly followed as per regulatory norms.
- Asset classification, income recognition, and provisioning shall comply with applicable RBI guidelines.
- Sanction letters shall specify the purpose, repayment schedule, and interest structure.
- Monthly interest tracking, quarterly performance review, and annual comprehensive review shall be conducted for all advances.

6. Interest Rate and Pricing

- Interest rates shall be fixed using a Board-approved internal rate model that considers cost of funds, risk premium, and desired margins.
- The Sub-Committee shall have authority to determine the applicable rate of interest within defined parameters.
- Interest may be charged monthly or quarterly, depending on the product or borrower category.
- The annualized interest rate shall be clearly communicated to the borrower at sanction.
- Any revision in interest rate shall be notified in writing and shall apply prospectively.
- Penal charges, if applicable, must be reasonable, transparent, and not disguised as additional interest.



7. Documentation, Disbursement & Security

- A formal sanction letter shall be issued specifying amount, tenor, interest rate, repayment schedule, and security details.
- Borrower shall receive copies of all executed loan agreements and enclosures at the time of disbursement.
- Disbursement shall be made only after satisfactory completion of documentation and security creation.
- On full repayment, security documents shall be released within agreed timelines.
- Any modification in loan terms or interest rate shall be supported by a written borrower acknowledgment.

8. Monitoring, Review & Reporting

- Monthly and quarterly reviews shall be conducted to monitor repayment trends and portfolio health.
- Early warning signals (such as delays, covenant breaches, or adverse market developments) shall be tracked closely.
- A comprehensive portfolio report covering disbursements, collections, NPAs, provisioning, and exposure concentration shall be placed before the Board every quarter.
- Internal audit shall periodically review adherence to policy and compliance with RBI norms.

9. Exceptions & Escalations

- Any deviation from this policy requires prior approval of the Board.



- Escalation hierarchy shall be:
Credit Team → Sub-Committee → L&A Committee → Board.
- The Board may prescribe additional internal exposure or credit limits beyond RBI requirements.

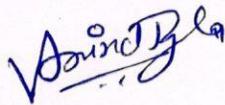
10. Fair Practices & Grievance Redressal

- Minolta Finance Ltd shall maintain and adhere to a Fair Practices Code ensuring transparency, ethical conduct, and borrower protection.
- A Grievance Redressal Mechanism shall address borrower complaints promptly and effectively.
- Coercive or unethical recovery practices are strictly prohibited.

11. Policy Review & Amendment

- This policy shall be reviewed annually or earlier, if required due to regulatory or business changes.
- Amendments to this policy shall be approved by the Board of Directors.
- Copies of the approved policy shall be circulated to all relevant departments and uploaded on the company's intranet or website as applicable.

For and on behalf of Minolta Finance Ltd



Mr. Arvind Jethalal Gala
Non Executive Chairman

