
RESOURCE PLANNING

POLICY

GLOSEC FINANCE PRIVATE LIMITED

Objective

The Resource Planning Policy lays down a broad framework for resource raising activities through various sources in a manner that ensures a strategic and smooth management of interest rate risk and liquidity risk. The Policy has been established to put in place resource planning which, inter-alia, shall cover the planning horizon and the periodicity of private placement and to outline the requirements of the Companies Act 2013 read with RBI Notification updated from time to time.

The long-term objective is to develop and implement the best practices in the integrated resource planning so that the least cost mix of resources may be achieved.

Policy for resource Planning

The resource planning of the company shall be based on its Asset Liability Matching (ALM) requirement. Broadly the planning horizon shall be of following two categories:

- A. Long Term Resources and
- B. Short term resources.

The company shall develop alternative sourcing of funds, the proportion/ the mix for the financial year may be decided by the Board and the same may be deployed depending on the business requirements. The proportion of the long term and short-term resources for the company shall be fixed from time to time by the Board based on the business plans for each year and the ALM pattern to be maintained by the company. However, the Board may delegate powers to the ALM committee for fixing the proportion of the long term and short-term resources, in future, as and when the committee is constituted for the said purpose.

Modes of Long-Term Resources

Borrowings from Banks and other Financial Institutions:

The company may plan for raising long term resources from banks and financial institutions. The major source of funding for the company are Scheduled Commercial Banks, Private Banks, NBFCs and Development Financial Institutions. While these lenders shall continue to be the biggest source for meeting the long term as well as short term funding requirement, the company shall develop alternative sourcing of funds directly from the debt-markets depending on the market conditions.

Retained Earnings/ Plough back of Profits:

The company shall plough back its profits in such proportions based on the maintenance of capital adequacy ratio or any other regulations stipulated from time to time.

Private Placement of Shares:

The Company may raise funds through issue of Shares on Private Placement basis to Domestic or Overseas Investor in conformity with Companies Act, 2013, RBI Guidelines/ Directions or such other regulation as may be applicable and amended from time to time.

Private Placement of Rated/ Unrated/ Listed/ Unlisted NCDs:

The company may subject to the compliance with the applicable provisions of laws and regulations may issue Secured Redeemable Non-Convertible Debentures (NCDs) at such intervals by way of private placement to such number of subscribers with such minimum subscription amount as maybe prescribed under any law or regulation in force from time to time to such eligible investors and Institutions. The securities may be listed in one or more recognized stock exchanges in India.

The issue of debentures shall be secured on the assets of the company moveable or immovable and a charge shall be registered in accordance with the provisions of the Companies Act, 2013.

Issue of Subordinated Debt instruments:

The Company may for meeting its ALM requirements issue Unsecured Subordinated Debt instruments which are not classified as deposits under the applicable directions of the Reserve Bank of India with a maturity period exceeding 5 years from the date of allotment. This instrument may be issued to such class or category of investors as the Board / Committee of the Board decides from time to time.

Further Issue of shares to Existing Shareholders:

As and when required, the company may also issue further shares to Existing Shareholders on preferential basis in conformity with Companies Act, 2013, RBI Guidelines/ Directions or such other regulation as may be applicable and amended from time to time.

External Commercial Borrowings (ECB) and Foreign Currency Denominated loans

Under the External Commercial Framework prescribed by RBI, eligible borrowers (includes NBFCs also) can raise ECB up to specified amount as prescribed by RBI under automatic route, subject to certain conditions. The facility denominated in foreign currencies can be in the form of loans, bonds and debentures.

Sale of assets through securitization / Direct Assignment.

Banks acquire portfolios, especially priority sector pools from NBFCs. Company may raise funds through sale of assets through securitization / Direct Assignment.

Modes of Short-Term Resources

Resources with a maturity of 12 months and less shall be treated as short term resources. Depending on the ALM requirements the company may borrow funds from banks and other financial institutions / corporates from time to time, through Overdraft Facility against Fixed Deposit of short-term maturity and short-term credit limits from banks.

Annual Plan for Mix of resources.

The ideal mix of resources for the company and the resource mobilization program for each financial year shall be decided in advance and shall be reflected in the business plan for each year. The mix of resources shall be mobilized in accordance with the business targets and the Financial Advisory and Board shall be empowered to revise the mix of resources as per the requirements of meeting the business plan from time to time. However, the Board may delegate powers to the ALM committee for revising the mix of resources, in future, as and when the committee is constituted for the said purpose.

Amendment to the Policy

The above policy has been approved in accordance with the applicable laws and rules or regulations of the Reserve Bank of India and Companies Act, 2013. Any regulatory amendment, contained in the governing act or any rules thereof shall have the effect of suo- motto amendment of the policy. Further the policy may be amended from time to time by the Board of Directors of the Company

Applicability

The policy shall be effective from the date approved by the Board of Directors.