



*GEECEE FINCAP LIMITED*  
*INVESTMENT POLICY*

**Approved and Reviewed Sequence**

<b>Effective from</b>	<b>18.05.2017</b>
<b>1<sup>st</sup> Review</b>	<b>08.08.2022</b>
<b>2<sup>nd</sup> Review</b>	<b>11.11.2024</b>



### INTRODUCTION:

GeeCee Fincap Limited ('the Company') is an Investment and Credit Company ('ICC'). The Company is categorized as a Systemically Important Non-deposit taking NBFC. The company is engaged in the business of lending, investing in securities and mobilization of capital.

The Reserve Bank of India (RBI) on October 19, 2023 (bearing ref no. **RBI/DoR/2023-24/106**) issued Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 [Earlier Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 were applicable to the NBFC which is now repelled] considering it necessary in the public interest, and being satisfied that, for the purpose of enabling the Reserve Bank to regulate the financial system to the advantage of the country and to prevent the affairs of any Non-Banking Financial Company from being conducted in a manner detrimental to the interest of investors and depositors or in any manner prejudicial to the interest of such NBFCs.

As per the Scale Based Regulations, the Company is required to frame, adopt and implement an Investment Policy.

The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications accordingly to conform to the standards prescribed. Accordingly the Board of Directors at their meeting held on 18<sup>th</sup> May, 2017 had approved the Investment Policy. The policy was further reviewed by the Board and is now being reviewed and amended considering the new master directions on Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

### CLASSIFICATION OF INVESTMENTS:

The Investments of GeeCee Fincap Limited will be classified into the following two categories:

- A. **Current Investments:** The Investments which are intended to be held for less than one year shall be treated as Current Investment.
- B. **Long Term Investments:** The Investments which are intended to be held for more the one year shall be treated as Long Term Investment which includes Non-current Investments.
- C. **Stock in Trade:** This includes securities purchased with the intention on trading & earn business profit from the same.

Management will review the Investments periodically & if there is any change in the intention in holding security then management can approve the reclassification/inter class transfer of securities.

### TRANSFER OF INVESTMENTS:

The Company shall not make any inter class transfer on ad-hoc basis. If the inter class transfer is warranted then it shall be effected only at the beginning of each half year, on April 1 or October 1, with the approval of the Board.

The investments shall be transferred scrip-wise, from current investment to long-term investment or vice-versa, at book value or market value, whichever is lower.

**VALUATION:**

**A. Quoted Current Investment:**

The Quoted current investments shall, for the purposes of valuation, be grouped into the following categories:

- Equity shares;
- Preference shares;
- Debentures and Bonds;
- Government securities including treasury bills;
- Units of mutual fund, and others.

The Quoted current investments for each category shall be valued at cost or market value whichever is lower. The investments in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation shall be provided for or charged to the profit and loss account. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored. Depreciation in one category of investments shall not be set off against appreciation in another category.

**B. Unquoted Investment:**

The Unquoted equity shares in the nature of current investments shall be valued at cost or breakup value, whichever is lower. However, the company may substitute fair value for the breakup value of the shares. Where the balance sheet of the investee company is not available for two years, such shares shall be valued at one Rupee only.

The Unquoted preference shares in the nature of current investments shall be valued at cost or face value, whichever is lower.

Investments in unquoted Government securities or Government guaranteed bonds shall be valued at carrying cost.

The Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

Commercial papers shall be valued at carrying cost.

A long term investment shall be valued in accordance with the Accounting Standard issued by ICAI. However, unquoted debentures shall be treated as term loans or other type of

credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

**C. Depreciation and Appreciation:**

The depreciation, if any, in each scrip shall be fully provided for and appreciation, if any, shall be ignored;

The depreciation in one scrip shall not be set off against appreciation in another scrip, at the time of such inter-class transfer, even in respect of the scrips of the same category.

**AUTHORITY:**

The Board of Directors (Board) of Company from time to time delegates the authority for making investment to Investment and Credit Committee.

Any changes in the authority by the Board will automatically supersede the above authority.

All investments in securities will be made after conducting preliminary analysis of the fundamentals of the scrips. In respect of investment in securities, it may not be possible to document the rationale behind every investment decision.

However, the following norms must be followed by the Corporate Finance & Treasury Team:

1. The Executive Director of the Company and in his absence, other non-executive directors (not being Independent Directors) of the Company be and are hereby singly/severally authorized to invest in, buy, sell, apply for purchase of, transfer, negotiate and/or otherwise deal with on such terms and conditions as he may think fit, in shares and securities in cash segment and in future and options segment, and in any Venture Capital Fund, Private Equity fund, Preferential Allotment, QIB issues, IPO investments etc.
2. The above mentioned authorized persons of the Company are authorized to invest in, buy, sell, apply for purchase of, transfer, negotiate and/or otherwise deal with, on such terms and conditions as they think fit, in fixed deposits, bonds (private sector and government), units of mutual funds, debentures and securities other than shares in cash segment and future and options segment, including promissory notes, that may be issued by anybody corporate, financial institutions, banks, central government and state governments, in the name of Company.

### INVESTMENT DECISION MAKING PROCESS / INVESTMENT CONDITIONS:

#### **1. Listed Equity Shares & other Listed Securities:**

Based on the various factors such as market research, financial ratio's, sentiments etc. the company make investment in listed shares and securities. Considering different investment strategies such as Period of holding, growth investing, value investing, or income investing authorized person decides to invest in listed shares and securities.

#### **2. Securities not listed recognized stock exchange:**

The Company may make investments in unlisted securities after thoroughly researching the company's financials, its promoters, the sector and growth potential and considering factors like valuation, tax implication, rating given by recognized rating agencies.

#### **3. Investment through Initial Public Offer (IPO):**

The Company may make investments in Initial Public Offer (IPO) after proper valuation and considering factors like rating given by recognized rating agencies, market conditions etc.

#### **4. Mutual Funds:**

The Company will only invest in Mutual funds having total AUM of minimum Rs. 1,000 crores.

### INVESTMENT CONCENTRATION NORMS:

RBI vide circular dated 15<sup>th</sup> January, 2024 has issued guidelines for Investment Concentration Norms – Credit Risk Transfer.

Particulars	Exposure Limits
Single borrower/party limit	25% of Total Exposure
Single group of borrowers/parties	40% of Total Exposure

For the purpose of this section, following shall be considered: -

- a) In the above exposure limits, the credit exposure shall also be considered.
- b) **“Companies in the group”** shall mean an arrangement involving two or more entities related to each other through any of the following relationships: Subsidiary – parent, Joint venture, Associate, Promoter-promotee (as provided in the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011) for listed companies, a related party, Common brand name, and investment in equity shares of 20 percent and above. The terms parent, subsidiary, joint venture, associate and related party shall be as defined/ described in applicable accounting standards.

- c) **“Total Exposure”** shall mean Tier I Capital as defined under Master Direction – Reserve Bank of India (Non-Banking Finance Company – Scale Based Regulation) Direction, 2023.
- d) The above concentration norms shall not apply for lending to subsidiaries and companies within the group to the extent they have been reduced from Owned funds for calculation of Net Owned Fund.

#### MONITORING AND REVIEW OF INVESTMENT:

The company will monitor the compliance of investment limits in the format as prescribed in **Annex 1**. <If the company intends to formalize any other MIS formats through the policy then the same can be incorporated>

The investment team on the company will review the investments and investment decisions on a quarterly basis.

#### REPORTING:

A report shall be provided to the management of the Company. The Report will detail the investment portfolio such as name of the scrip, original cost, market price and change in market price with respect to previous day closing.

Equity Investment portfolio shall reconcile with depository statement on weekly basis. The Company will do weekly reconciliation of its various investments with Demat statements, physical statements and investment statements

The Chief Financial Officer (CFO) or one level below CFO will track all corporate actions with respect to Company's investments and make sure the company gets benefit from all corporate actions of the Investee Companies and to keep the management informed on corporate announcement like declaration of dividend, bonus, split of shares, etc.

#### POLICY EXCEPTIONS:

Any exceptions to this policy shall only be with the prior approval of the Board of Directors of the Company.

#### ADOPTION, EFFECTIVE DATE AND REVIEW:

This policy was adopted by the Board of Directors of the Company at their meeting held on 18<sup>th</sup> May, 2017 and was reviewed by the Board on 08<sup>th</sup> August, 2022 and 11<sup>th</sup> November, 2024. This policy shall be reviewed by the Board of Directors on at least on Annual basis.