

GEECEE FINCAP LIMITED

INVESTMENT POLICY

INTRODUCTION

GeeCee Fincap Limited is an investment company. With the newly introduced concept of Multiple NBFCs it 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 September 01, 2016 (bearing ref no. **RBI/DNBR/2016-17/45**) issued Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 considering it necessary in the public interest and for the purpose of enabling the Bank to regulate the financial system to the advantage of the country and to prevent the affairs of any Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) from being conducted in a manner detrimental to the interest of investors and depositors.

As per the Directions issued, 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 18th May, 2017 had approved the Investment Policy. The policy was further reviewed by the Board.

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 Noncurrent Investments.

On half yearly basis Company does the reclassification of its investment, if necessary.

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.

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

Oral sanctions

Normally investments are made by the authorized person only after seeking consent from the Board of the Company and the data relating to investment in equity and preference shares are put up to them for post facto confirmation on quarterly basis. The Company shall maintain a proper record for all post facto approvals.

Investment through 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.

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.

To keep informed management on corporate announcement like declaration of dividend, bonus, split of shares etc.

Effective

The policy shall be effective from 18th May, 2017.

Review

This investment policy will be reviewed at periodically with the Board approval.