

**“INVESTMENT POLICY”  
of  
GSB FINANCE LIMITED**

## **Introduction**

GSB FINANCE LTD (“The Company”) is a Non-Banking Financial Company “NBFC” registered with the Reserve Bank of India (RBI). In accordance with the Master Direction- Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as “the RBI Directions”) issued by the RBI, every non-banking financial company shall frame investment policy for the company and implement the same. The objective of investment policy is to safeguard the Company’s funds and at the same time maximize returns along with adhere to RBI’s prudential norms as applicable.

## **Scope and Purpose**

This policy applies to all investment activities undertaken by the Company, including but not limited to investments in financial instruments such as debt securities, equity securities, mutual funds, bonds, and other market instruments, as well as any other assets that are considered investments.

As the company maintains liquidity and liquidity comes at a cost, deployment of liquidity in avenues which give optimum return with no or negligible risk is one of the key objectives for the management of the company. This policy sets a guiding principle for the management to deploy/invest the intermittent liquid funds in avenues which are safe, liquid and provide optimal return on investment.

## **Governance**

The Board of Directors “Board” of the Company, being the board of NBFC are required to formulate the Investment Policy in terms of **Non-Banking Financial (Non-Deposit Accepting) Companies Prudential Norms Directions 2007**. In pursuant to said directions, the Board hereby prescribes the broad guidelines for taking investment decisions by management committee and to bring operational efficiency in the system.

## **Regulations**

1. During the course of its operations, the Company will strictly adhere to various guidelines issued by RBI or may be stipulated by the Reserve Bank of India (RBI) from time to time in respect of investments made or to be made by the NBFCs.
  - Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998, as amended up to date.
  - Clarifications as may be issued from time to time by Reserve Bank of India.
2. The Board of the Company shall take all investment decisions, and/or may delegate the said power to the management committee of the Company. The said resolution should specify the total amount up to which the funds may be invested in Banks/ Mutual Funds etc. and the nature of the investments which may be made by the management committee.
3. Pursuant to any subsequent amendments or any statutory modifications or re- enactments in the above stated guidelines / norms / clarifications or in any other applicable acts / regulations, if there is any change in any of the parameter(s) framed by the Board, then the act / regulation will have overriding effect on the parameter(s).

## **Board Permitted Instruments**

The core business of GSB is lending of money to borrowers and earning income through interest income.

## **Classification of Investments**

Investments made by the Company which are intended to be held for not more than one year from the date on which such investment is made are liquid. Investments made by company with a longer duration of more than a year would be taken as investment for gains.

GSB may make Current Investments (and not for trading purpose) in Liquid/Debt Funds or any other instrument that meets the above said purpose.

**Valuations:**

1. Investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value (NAV) declared by the mutual fund in respect of each particular scheme.
2. In case of FD, value is to be determined by its present net value

**Investment Committee Formulation and its Functions:**

Any Investment to be made by the Company shall be approved by the management committee of the company consisting of:

Mr. Ramakant Sagarmal Biyani (Chairman)

Mr. Suyash Ramakant Biyani (Chief Financial Officer)

The Investment Committee shall decide regarding the quantum of funds to be placed in different banks or the mutual funds after considering the return on investment and credibility of the organization. Prior to making any investment, the committee will compare the interest rates of a minimum of three Banks or Mutual Fund AMCs.

Any surplus amount after meeting the lending requirement could be invested in mutual funds or kept as short-term fixed deposits with Banks. The Committee shall also review all the investments made earlier on weekly basis to ensure proper deployment on maturity.

