

**Nalwa Sons Investments Limited**

CIN: L65993DL1970PLC146414

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**RESOURCE PLANNING POLICY**

<b>Document Control Sheet</b>	
<b>Document Name</b>	Resource Planning Policy
<b>Name of Company</b>	Nalwa Sons Investments Limited
<b>Policy Authorization by</b>	Board of Directors
<b>Review of the policy</b>	Bi-annual
<b>Board Approval date</b>	November 30, 2023

- 1) This policy may be known as “NSIL –Resource Planning Policy” hereinafter referred to as the “Resource Planning Policy”.
- 2) This Policy on Resource Planning has been made pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 as amended from time to time.
- 3) The Board of Directors has approved and adopted this ‘Resource Planning Policy’ on 30<sup>th</sup> day of November, 2023.

4) **Company’s Profile**

Nalwa Sons Investments Limited (NSIL) 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 – Scale Based Regulations - (Reserve Bank) Directions, 2023 (hereinafter referred to as “the RBI Directions”) issued by the RBI, the Board of Directors is required to frame and approve Resource Planning Policy.

5) **Objectives**

The Policy will ensure optimal utilization of resources to avoid waste and redundancy in effective manner in order to achieve optimum results  
Align resource allocation with organizational priorities and objectives.

6) **Scope**

Guidance on:

- Long term funds in the mix of resources.
- Mix of loan term funds viz Bank loans, Loans from Financial Institutions, Non – Convertible debentures, subordinated debt etc.
- Short term funds in the mix of resources.

7) **Definitions**

For the purpose of this Investment Policy –

- a) “Act” means the Reserve Bank of India Act, 1934;
- b) “Board of Directors” means the Board of Directors of Nalwa Sons Investments Limited.
- c) “Body corporate” means a body corporate as defined under Section 2 of the Companies Act, 2013;
- d) “Company” or “NSIL” means Nalwa Sons Investments Limited;
- e) “Companies Act” means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.

Other terms not defined hereinabove shall have same meaning as defined in “Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023” and as amended from time to time.

## **8) Long term resources:**

### **8.1 Retained Earnings.**

NSIL has been ploughing back its profits to maintain capital adequacy ratio above the regulatory minimum ratio and to maintain low leverages. NSIL shall continue the practice in future.

### **8.2 Term loans from banks and other Financial Institutions.**

If there is any requirement, NSIL will raise loans from public and private sector banks and financial institutions like NABARD and from group companies etc. NSIL has been treating funds raised with maturity profile of more than 12 months as funds from long term resources. NSIL shall continue to avail term loans from these institutions with maturities ranging from more than 1 year to 5 -7 years.

### **8.3 Issue of Debt Securities**

The Company, subject to the applicable provisions of laws and regulations, shall issue debt securities depending on its business requirements and the market conditions. The debt securities may be issued in the following manner:

#### **8.3.1 Public Issue of NCDs**

The Company may issue Secured Redeemable Non-Convertible Debentures (“NCDs”) with a maturity period of 12 months and above by way of public issue at coupon rates that the Company thinks fit from time to time. These NCDs shall be listed in one or more recognized stock exchanges in India (“Listed NCDs”). The Terms of the issue may be decided by the Board or any Committee to which the Board has delegated such powers, from time to time, depending on the business environment, market conditions and regulatory provisions.

#### **8.3.2 Private Placement of Listed NCDs**

The Company may issue Listed NCDs at such intervals by way of private placement to such number of subscribers or such higher minimum subscription as may be prescribed under any law or regulation in force from time to time to such eligible investors including High Net worth Individuals (“HNIs”) and institutions. The securities shall be listed in one or more recognized stock exchanges in India. The terms of private placement in this manner may be decided by the Board based on the market conditions, availability of funds and the business plan of the Company and subject to compliance with the statutory and regulatory requirements.

#### **8.3.3 Private Placement of Unlisted NCDS**

In accordance with applicable rules and regulations, the Company may issue NCDs through the private placement route to Banks, MFs, Insurance companies, or any other qualified investor. The minimum NCD tenor should be one year or more. The Board or a Committee of the Board may periodically determine the issue's frequency based on the business climate, the state of the market, and applicable laws.

### **8.4 Short term resources**

Facilities with maturity up to 12 months shall be treated as short term resources. The main sources of such funds are cash credit facilities, short term loans / Working Capital Demand Loans from Banks and

Commercial papers (CP). Depending on the ALM requirements the company may borrow funds from banks and other financial institutions / corporates from time to time and continue to issue commercial papers with maturity ranging from one month to 12 months.

**9) Management and tracking of financial covenants and other covenants prescribed by the lender / counter parties.**

**9.1 Acceptance of sanction letters and draft financing agreements of lenders.**

The terms and conditions contained in sanction letters, financing agreements, and other funding-related documents shall be reviewed by the officials designated by the Management before acceptance or execution. Where considered necessary, the Management may constitute an internal committee comprising senior officials from relevant functions to examine the proposed terms and conditions. Illustrative list of such covenants are as follows:

1. Minimum Capital adequacy.
2. Minimum NOF.
3. Maximum DER.
4. Maximum Leverage.
5. Maximum delinquency in %.
6. Maximum gross NPA and Net NPA in %.
7. Minimum shareholding of promoters.
8. Restrictions in borrowing.
9. Restrictions in investments in subsidiaries and others.
10. Restrictions in starting new businesses.
11. Acquiring other companies.
12. Diversification of business.
13. Restriction on lending to subsidiaries, including pricing.

If the lenders / counterparties are not accepting any covenants that could be detrimental of Company's interest and if the finance team for exigencies wants to avail of the finance, may seek approval for accepting such covenants from Whole Time Director/Executive Director with suitable justifications / mitigants.

**9.2 Approving Authority for accepting sanction letters / agreements**

Management shall prepare a note for acceptance of the sanction order to the Board of Directors. Any deviations and terms and conditions that may adversely affect the interest of the company should be highlighted in the note.

**9.3 Covenants tracking**

Management shall maintain a tracker of covenants of all lenders and compliance and deviations shall be presented to the Audit Committee. Deviations, if any shall also be brought to the notice of the Chairman/member of Risk Management committee for reporting to Risk Management Committee.

**9.4 Covenant management**

If any potential breaches in covenants are observed, requests for amendments shall be placed to the

lenders / counterparties and the Company shall get their approval in advance. This shall be a continuous process to be followed by the management.