



## POLICY ON RESOURCE PLANNING

### Version Control:

<u>Sl. No.</u>	<u>Name of Policy</u>	<u>Version</u>	<u>Board approval date</u>	<u>Remarks</u>
<u>1.</u>	<u>Policy on Resource Planning</u>	<u>V1.0</u>	<u>December 1, 2023</u>	<u>Policy document approved.</u>
<u>2.</u>	<u>Policy on Resource Planning</u>	<u>V2.0</u>	<u>February 10, 2025</u>	<u>Policy document revised.</u>

## **POLICY ON RESOURCE PLANNING**

The policy of the company on resource planning will cover the objectives of the regulatory requirement under RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, regarding the Board approved policy for resource planning which inter-alia, should cover the planning horizon and the periodicity of ~~private Placement~~ funds raised through various channels/modes.

### **DEFINITIONS:-**

“Company” shall mean QGO Finance Limited-.

“Private Placement” means non-public offering of Non-Convertible Debentures (NCDs) by the Company to such number of select subscribers and such subscription amounts, as may be specified by the Reserve Bank of India, from time to time.

“Public Issue” means an invitation by a company to public to subscribe to the securities offered through a prospectus.

“Co-lending” is a partnership where two or more financial institutions, such as banks, NBFCs, or firms, jointly lend to a borrower. Each institution contributes a portion of the loan, sharing risks and rewards. This arrangement helps extend credit to underserved sectors and manage risks effectively.

## **OBJECTIVE:**

### **Long term objective.**

The long-term broad targets of the company for resource mobilization shall be in the following ~~two~~ heads:

A. Banks/Institutional funding;

B. By the issue of NCDs (Secured and unsecured)/ Subordinate Debts;

C. Co lending arrangements;

B-D. Inter corporate loans.

At the end of each financial year this shall be reviewed and the progress shall be reported.

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## **Resource Planning Policy**

### **1. Policy on raising long term resources.**

#### **1.1. Tenure**

Considering the fact that the company’s business is mainly of Project Lending and the period of the loan is upto 3-5 years, any resource that could be raised with a maturity profile of more than 4 years can be classified as a long-term resource. The proportion of the long term and short-term resources for the company shall be fixed from time to time by the Admin Committee based on the business plans for each year.

#### **1.2. Manner of raising long term resources**

#### 1.2.1. Routes for 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 as of now is are private investors, High net worth individuals (HNIs) and NBFCs~~nationalized and other scheduled commercial banks, All India Financial Institutions and larger NBFCs.~~ While these organized sectors avenues 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 from other markets depending on the business requirements. The company may plan for raising long term resources from banks and financial institutions in the coming future.

Co lending arrangements: The Company may also enter into co-lending arrangements with any bank, financial institutions or any other corporates/firms.

#### 1.2.2. *Retained Earnings.*

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

#### 1.2.3. *Issue of Debt securities.*

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

##### i. *Private placement of NCDs*

Based on the business plan of the company for each year, the company may issue Unlisted NCDs to individuals/ institutions or such other class or category of investors. The timing and the amount of issue shall be decided by the ~~Financial Resources and Management Committee of the Board~~relevant sanctioning authority and shall be subject to the statutory and regulatory compliances as may be required from time to time. However, as a policy, the company, in the ordinary course of its business, shall issue such instruments as and when needed. The total number of subscribers in each issue shall not exceed the maximum limit prescribed under applicable laws or regulation.~~However, as a policy the company in the ordinary course of its business shall have maximum of 4 such issues during a month and the total number of subscribers in each issue shall not exceed the maximum number of subscribers fixed under any of the applicable laws or regulations.~~

Private placement of Unlisted Debentures shall be made on the basis of a Disclosure document which shall specify the opening and closing dates of the issue, financial position and performance of the company as per the two latest audited financial statements of the company and of the major risk factors as perceived by the management.

The issue of secured 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.

Further the company shall issue NCDs for the purpose of its own Balance sheet only and shall not grant loans against its own debentures.

Further, in alignment with RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, the following provisions shall be incorporated into the Policy:

- The minimum subscription per investor shall be Rs. 20,000.
- Issuance of NCDs shall be categorized into:
  1. Subscriptions below Rs. 1 crore (capped at 200 subscribers per financial year, fully secured).
  2. Subscriptions of Rs. 1 crore and above (no limit on subscribers, security creation optional).
- NCDs shall only be issued for the deployment of funds on the Company's balance sheet and not to support resource needs of group entities, parent company, or associates.
- Loans shall not be extended against the security of the Company's own debentures.

**ii. Regulatory Compliance:**

- Tax-exempt bonds issued by the Company shall be exempt from the provisions of RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
- If there are any NCDs with maturities of up to one year, the Company shall comply with RBI's Master Direction on Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year.

**1.2.4. Issue of Subordinated Debt instruments.**

**1.2.4.**

The Company may for meeting its ALM requirements issue Un Secured 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 ~~Financial Resources and Management Committee~~sanctioning authority of the Board decides from time to time.

### ~~Inter-group Borrowing:~~

~~The intercompany/group borrowing should only be used as an exception and not as regular source funding. Interest on such loans are charged at arm's length basis independent external bench marking.~~

### 2. Short Term Resources

Resources with a maturity of 12 months and less shall be treated as short term resources.

The main sources of such resources are bank limits ~~may~~ and inter corporate loans which are exempt from the purview of public deposit under the applicable directions of RBI.

### 3. 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 properly defined in the business plan for each year. The mix of resources shall be mobilized in accordance with the above policy.

### 4. Amendment to the policy.

The policy may be amended from time to time by the Board of Directors.

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