

Times Guaranty Limited

RESOURCE PLANNING POLICY

Information:

Document	Classification	Version	Status
Policy on Resource Planning	Confidential	1.0	Approved

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1. **Background:**

Times Guaranty Limited (the “Company”) is a Base Layer Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and classified as an Investment and Credit Company (ICC). The Company is listed on both major stock exchanges and is committed to maintaining high standards of corporate governance.

The company primarily focuses on providing customized financial solutions to corporate clients to support their business growth, including structured credit products such as term loans with bullet repayment options that offer repayment flexibility. The Company may also extend credit facilities to individuals with a business or professional relationship, as per its internal policies and regulatory norms. Additionally, the company manages its surplus funds through investments in mutual funds and debt securities, aiming for optimal returns with prudent risk management, while maintaining a transparent, disciplined, and compliant approach in all its operations.

This policy is prepared in line with the requirements prescribed by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and various RBI notifications / directions [“RBI Regulations”] issued in this regard

2. **Objectives:**

The objective of this policy are as follows:

- Ensure compliance with RBI regulations related to the issuance of NCDs and resource planning.
- Establish a clear framework for the periodic issuance of NCDs, including subscription limits and security requirements.
- Safeguard the company’s financial stability by ensuring that NCD subscriptions are secured and not used for group entities or associates.
- Outline procedures for tax-exempt bonds and compliance with short-term NCD maturity guidelines.
- Provide a structured approach to resource mobilization, ensuring efficient fund deployment on the company's balance sheet.
- Regularly review and update the policy to ensure compliance with evolving regulations and business needs.

3. **Scope:**

The scope of the Resource Planning Policy encompasses the identification, management, and efficient utilization of both short-term and long-term resources required to meet the company’s operational and strategic objectives. The policy outlines the methods of raising resources, including the issuance of commercial papers, NCDs, and inter-corporate loans, while ensuring compliance with regulatory guidelines and maintaining liquidity. It also covers the appropriate tenure, security, and repayment structures for these resources, aligning with the company's capital management and Asset-Liability Management (ALM) requirements. The policy aims to ensure the company’s financial stability, support growth initiatives, and optimize the cost of funds.

4. **Authorization**

This policy shall be approved by the Board of Directors of the company. It will be reviewed periodically to ensure it remains aligned with RBI guidelines and the company's business needs.

5. Need for Raising the Resources

The company shall raise funds in the following situations:

- The company wants to expand its lending operations, such as offering new loan products or increasing its loan book to cater to growing customer demand. Raising resources through NCDs or other means ensures sufficient liquidity for this expansion.
- RBI or other regulatory authorities may impose minimum capital adequacy ratios. The company may need to raise additional funds to meet these requirements and remain compliant, especially during periods of rapid growth or business stress.
- The company may face the need to refinance or restructure existing debt to reduce interest costs or extend repayment periods. Raising resources through new instruments like NCDs provides the funds needed to settle or refinance older borrowings.
- If the company plans to enter new markets, acquire another company, or invest in technology or infrastructure, it will need additional capital. Raising resources ensures the company can pursue these opportunities without compromising its core operations.
- In times of market volatility or economic downturns, maintaining liquidity becomes critical. Raising resources provides a financial cushion to manage short-term cash flow requirements and avoid liquidity crunches.
- If the company shifts its business strategy, such as focusing on a different customer segment or launching new products, it may need additional funding to support the new direction. Raising resources enables the company to implement these strategic changes smoothly.

6. Plan for Fund Raising

The resource planning of the company shall be based on its Asset Liability Matching (ALM) requirement. Broadly the planning horizon shall be of following three categories;

- Long Term Resources (NCD/ subordinated debt and Equity over 5 years)
- Medium term resources (Loans from banks and financial institutions/ NCD between 2-5 years)
- Short term resources (Bank facilities less than 2 years)

7. Criteria for Raising the Funds

Long Term Resources

- Tenure:

The tenure for long-term resources raised through Non-Convertible Debentures (NCDs) will generally range from 3 to 10 years or more, depending on the specific business needs and the cash flow projections of the company. The NCDs will be structured to match the duration of the investment, such as infrastructure projects or business expansion plans, ensuring repayment aligns with the company's long-term financial strategy.

- Methods for Raising the Funds:

- a. 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 nationalized and other scheduled commercial banks, All

India Financial Institutions and larger NBFCs. While these organized sectors shall continue to be the biggest source for meeting the long-term funding requirement, the company shall develop alternative sourcing of funds from other markets depending on the business requirements from time to time.

- b. 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.
- c. Issue of Subordinated Debt Instruments: The Company may for meeting its ALM requirements issue Unsecured Subordinated Debt instruments which are not classified as deposits under the applicable directions of the Reserve Bank of India with a maturity period of not less than 5 years from the date of allotment. This instrument may be issued to such class or category of investors as the Board / Committee of the Board decides from time to time.
- d. Issue of Debt Securities through Private Placement: The issue of debt securities on private placement basis, by the company shall be made in compliance with Sections of companies act 2013 and other regulations, in addition to the Master Directions. The company shall subject to the applicable laws and regulations, issue debt securities depending on its business requirements and the market conditions in the following manner:

Private placement of (Rated and Listed) NCDs

The company may subject to the compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015 and other applicable provisions of laws/ and regulations may issue Redeemable Non-convertible Debentures with maturity period of 12 months and above (NCDs/Bonds) at such intervals by way of private placement at such coupon rates as the company think fit from time to time with such subscription amount, per investor, as may be prescribed under any law or regulation in force from time to time to eligible investors and shall be listed in one or more recognized stock exchanges in India.

However, in case of issue of NCD's with maximum subscription amount, per investor, being less than 100 lakhs, the maximum number of subscribers shall be limited to 200 for every financial year and the same shall be compulsorily secured on the assets of the company. The frequency of the issue may be decided by the Board / Committee of the Board from time to time depending on the business environment, market conditions and regulatory provisions in this behalf.

Private Placement of Unlisted NCDs (Rated and unrated)

Based on the business requirements, 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 Board / Committee of the Board 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 have maximum of 6 such issues during a financial year and if the subscription amount per subscriber remains below Rs. 100 lakhs the total number of subscribers during the financial year shall not exceed 200 and such issue shall be fully secured. However, if subscription amount per subscriber exceeds Rs. 100 lakhs, no such restriction of a maximum of 200 subscribers and of creation of security shall be applicable on the company.

Private placement of Unlisted Debentures shall be made on the basis of a Disclosure document/ information memorandum 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 debentures covered under sub clause a and b above may be secured (depending upon amount of subscription per subscriber, as stated above) 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.

Note: Minimum Regulatory Conditions as mentioned in Paragraphs here, shall be complied while issuing NCDs through the issued of Information Memorandum/Private Placement Offer Letter for issuance of NCD's

Short Term Resources

- **Tenure:**

The tenure for short-term resources will typically range from 1 month to 1 year. This funding will be used for managing working capital needs, liquidity gaps, or financing projects that require quick, short-term capital infusion.

- **Methods for Raising the Funds:**

The company shall raise short-term funds through a combination of commercial papers (CPs), bank borrowings, bank limits, and inter-corporate loans. CPs will typically have maturities ranging from 1 month to 24 months and will be issued via private placements with institutional investors or HNIs. Bank borrowings or limits will be used as needed to meet operational liquidity requirements, while inter-corporate loans may be availed from other corporate entities or subsidiaries, subject to applicable laws and exemptions from public deposit regulations under RBI directions.

8. Plan for Mix 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 reflected in the business plan for each year. The mix of resources shall be mobilized in accordance with the business targets and Asset Liability Management Committee/Board of the company shall be empowered to revise the mix of resources as per the requirements of meeting the business plan from time to time.

However, the Plan shall always ensure adherence with the leveraging ratios/Capital Adequacy ratios as applicable to the company.

9. Regulatory Conditions

The company shall adhere to the minimum prudential requirement while issuance of non-convertible debentures whether through Private Placements of (Rated and Listed) NCDs or Private placement of Unlisted NCDs for more than 1 year.

- The Company shall raise funds through private placement of securities including NCD's, as and when required as per business projections, strictly for its own business purposes only and not for the benefit of its subsidiary, holding or Associate Company, if any.
- The minimum subscription per investor shall be Rs. 20,000 (Rupees Twenty thousand)
- The Company shall issue NCD's with maturities of more than one year.

- The issuance of private placement of NCDs shall be in two separate categories, those with a maximum subscription of less than Rs. 1 Crore and those with a minimum subscription of Rs. 100 Lakh and above per investor
- There shall be a limit of 200 subscribers for every financial year, for issuance of NCDs with a maximum subscription of less than Rs. 1 Crore, and such subscription shall be fully secured
- In case of issue of NCD with minimum Subscription of Rs. 1 Crore or above the option to create security in favor of subscribers shall be with the Company. Such unsecured debentures shall not be treated as public deposits as defined in these Directions.
- The Company shall issue debentures only for deployment of funds on its own balance sheet.
- The Company shall not extend loans against the security of its own debentures. (issued either by way of private placement or public issue).
- The Company shall comply with the guidelines of Securities and Exchange Board of India for all Listed NCD's.
- The Company shall comply with all other provisions of the Companies Act 2013 with respect to issue of NCD on private placement basis.

Note: In case of regulatory update not affected in the Conditions above, the extant regulatory provisions applicable shall be adhered i.e., regulatory provisions shall have a precedence over the policy document at all the times.

10. Exception Handling

The policy shall always be updated with extant regulatory provisions. However, in case of conflict between the Policy and regulations, the regulatory provisions shall always supersede the policy.

The updated policy shall be adhered at all the times and exceptions if any to the policy shall be approved by the board of directors after recording a reason in writing.

11. Adoption, Effective Date and Review

This policy has been adopted vide resolution of the Board of Directors of the Company dated 11th June 2025. This policy shall be applicable organization wide with effect from 11th June 2025. This policy shall be reviewed by the Board of Directors on at least an Annual basis.

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