



Edel Finance Company Limited

Policy on Resource Planning

Introduction

Edel Finance Company Limited (EFCL) was incorporated in October 1989 and is registered with the Reserve Bank of India (RBI) as Core Investment Company (CIC) and invest in the Group Companies in accordance with the Directions/Guidelines issued by the RBI in this regard from time to time.

This Policy on Resource Planning (the Policy) captures the Company's approach towards Resource mobilization through Banking and Capital markets by way of debt and structured instruments. The Policy is essential for business growth while at the same time ensuring adherence to critical parameters on risk like liquidity, asset/liability management and interest rate sensitivity.

This Policy does not cover raising of resources for capital augmentation like issue of fresh equity/convertible debentures/preference shares etc. which will be examined by the Board keeping in view the business requirements.

Resources management

The resources will be raised through a variety of debt instruments from various sources keeping in mind the Company's asset/liability and interest rate matrices.

Group Company:

Funding is done through loan from Group Company(ies) which would largely be unsecured but can also be secured. Such loans would for a short period of time but it can be long term as well depending upon the requirements.

Commercial banks: Bank Credit will be sourced from Commercial banks by way of working capital finance (Overdraft, Cash credit, WCDL) and Term loans. The bank loans may be both by way of Consortium Loans or individual/ multiple banking arrangements with Banks on a bilateral basis.

Mutual funds: Mutual funds float fixed income and liquid schemes and provide invest in various debt instruments like Commercial Papers (CPs)/Non-convertible Debentures (NCDs). The Company may raise monies from mutual funds through this route, as per the extant laws.

Non-Convertible Debentures/Bonds: Such securities will be issued by way of either private placements or public issues and will be rated. These are largely collateralized with appropriate asset covers as mandated by the lenders and agreed by the Company. Treasury of Commercial Banks, corporate or Mutual Funds are active in investment in these papers.

CBLO: This market will be sourced against Government securities as and when necessary, essentially as part of Treasury management.

Subordinated - debt: Loans that are subordinated to senior or secured debts are available to the Company for a relatively long period of time (more than five years). These would be subscribed to by Banks, Insurance Companies, Corporates or Mutual Funds. These are unsecured in nature.

Securitisation: Loan assets would be bundled and offered to investors as a securitized product as an additional source. These papers will be rated and appropriate credit enhancement offered.

Inter-corporate Deposits: Inter-corporate Deposits (ICDs) would largely unsecured but can also be secured. Generally, these investments are for a short period of time (less than one year) and are invested by corporates.

Note 1: The Company will ensure that the guidelines of RBI are strictly adhered to in all the above cited fund raising operations.

Note 2: The aggregate of all the borrowings will be within the overall limit set by the Board.

Size and Periodicity of Fund Raising:

(Amount in Rs.)

Resources	Issuances	Min. size	Max. size
Group Company loan	3 Per day	1 lakhs	90 crores
Bank Finances (Cash Credit/ WCDL/ Term Loans)	Based on sanctioned terms	N.A.	N.A.
Commercial Papers	Max 3 per day	5 crores	100 crores
Non-Convertible Debentures / Bonds			
a) Structured Products	Max 6 per week	N.A.	500 crores to be raised per quarter under all issuances
b) Others	Max 6 per week	N.A.	1,500 crores to be raised per quarter under all Issuances
CBLO	Multiple issuances	1 crore	100 crores
Sub-debt	Max 1 per quarter	1 crore	25 crores
Securitization	Max 1 per month	N.A.	N.A.
Inter-corporate Deposits	As & when required.	50 lakhs	50 crores