

(AN ISO 9001:2015 CERTIFIED COMPANY)  
CIN : L65993DL1994PLC060154

Regd. Office: 209, Bhanot Plaza - II  
3, D .B. Gupta Road, Paharganj  
New Delhi - 110055

CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED IN THE MEETING OF BOARD OF DIRECTORS OF SUNSHINE CAPITAL LIMITED HELD ON 15/07/2022 AT 11.00 AM AT THE REGISTERED OFFICE OF THE COMPANY 209, BHANOT PLAZA-II, 3 DB GUPTA, ROAD NEW RAJINDER NAGAR NEW DELHI - 110060

**BOARD RESOLUTION: ADOPTION OF REVISED & AMEMDED INVESTMENT POLICY.**

**WHEREAS THE COMPANY** is a registered NBFC and has to make changes/modification in its investment policy, intending to make any investment out of its surplus funds. The primary business of the company is to deals in sale/ purchase of equity shares and loans and advances and has to amend its policy time to time as per the latest RBI Norms and guidelines.

**IT IS NOW HEREBY RESOLVED** that the Board of Directors be and are hereby authorized to make the desired changes/ modifications in the existing Policies and the same be submitted to the RBI, New Delhi.

**FURTHER RESOLVED** that the necessary changes being incorporated in the following matters/ clauses which forms the part of revamped investment Policy:

1. Quantified limit (15% of Net worth) to make any additional investments.
2. Investment in commodity & other financial products
3. Investment in various types of securities i.e. Bonds, Debenture etc.
4. Dealings through any stock brokers or financial advisors etc.
5. Measurement of risk through technical tools & internal control system.
6. Authority in case of breaches, if any

**RESOLVED FURTHER** any of the Board of Directors be and are hereby authorized to do all such acts, deeds and things that are necessary to give effect to the said Resolution."

CERTIFIED TRUE COPY  
For SUNSHINE CAPITAL LIMITED

  
ANIL PRAKASH  
DIRECTOR  
DIN: 05187809

# SUNSHINE CAPITAL LIMITED

# INVESTMENT POLICY

REVISED & AMENDED

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Policy Governance

Frequency Of Review	Annual
Framed & Last Reviewed	12/04/2017
Amended on	15/07/2022
Approved By	Board Of Directors



## Introduction and Objective

SUNSHINE CAPITAL LIMITED "SCL" being a registered Non Banking Financial Company was granted certificate of registration as NBFC. Categorized as - NDSI on the basis of the net worth & NOF. One of the main object of SUNSHINE CAPITAL LIMITED (herein after referred to as "Company" or "SCL") is to:

**"To carry on the business of Investment Company and for that purpose to invest in and acquire hold and deal in shares, stocks, debentures, debenture stocks, bonds, obligations, securities" etc.**

Most of the investments held by "SCL" since the date of Registration as a NBFC were in the nature of a legacy, arising out of investments made by different - different companies. The company has also made investment in various entities. The primary business of the company is in financing activities. Therefore, the Company is categorized as Investments/Loan Company. The company also earned income from dividend. In later years, that "SCL" entered loan financing by leveraging its investment portfolio, to earn interest income. Today the mainstay of "SCL" top line is interest income, albeit through leveraging of its core asset, i.e. investments.

Following broad guidelines have been framed by "SCL" to inform its investment decisions in order to conform to the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Meeting of the long-term investment goals of the Company basically depends on a number of factors, which not only include fund availability and rate of return, but also inflation and taxes. The motive of the Company to hold the investments is to get returns out of the investments, which can be in any of the following manner:

- Return on investments in the form of Dividend and/or interest;
- For capital appreciation;
- For other benefits.

### Regulations

1. During the course of its operations, the Company will strictly adhere to various guidelines as may be stipulated by the Reserve Bank of India (RBI) from time to time. These guidelines will include :
  - Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances VIDE notification RBI/2022-23/15 DOR.STR.REC.4/21.04.048/2022-23 April 1, 2022. (Updated time to time).
  - Clarifications as may be issued from time to time by Reserve Bank of India.
2. The Company will adhere to the provisions of the Companies Act, 2013. However being an Investment Company, engaged in the business of acquisition of shares, stock, debentures or other securities, the provisions of the said Act is not applicable to the Company.

3. Any statutory modifications in the Statutory guidelines / norms / clarifications/ regulations, or if there is any change in any of the parameter(s) framed by the Board, then the parameter change mutatis mutandis.
4. All investment decisions of the Company shall be taken only at the meetings of the Board of Directors of the Company. The Board of Directors of the Company, may however, delegate the said power to any committee of directors, the managing director, the manager or the principal officer (hereinafter collectively referred to as the "delegate") of the Company. The said resolution of the Board shall specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegate.

**CLASSIFICATION OF INVESTMENTS**

The Investments, that the Company will hold, will be treated as the assets of the Company held with the motive of earning income by way of dividend, interest, and / or for capital appreciation and / or for other benefits. The investments of the Company shall be classified into the following two categories:

<p><b>Current Investments</b></p>	<p>The 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 and which are by its very nature are readily realizable.</p>
<p><b>Long term Investments</b></p>	<p>Any other investment other than the aforesaid current investments will be construed as long term investment</p>

The Investment of the Company in securities shall be classified into current and long term, at the time of making each investment.

**TRANSFER OF INVESTMENTS**

The Company shall not make any inter class transfer on ad hoc basis. If the inter class transfer is warranted than it shall be effected only at the beginning of each half-year. on April 1 or October 1, with the approval of the Board.

The investments shall be transferred script-wise, from current investments to long-term investments or vice - versa, at book value or market value, whichever is lower.



**VALUTION*****A. General***

1. The cost of the investment(s) will include the acquisition charges such as brokerage, fees and duties.
2. If the Company acquires (fully or partly) any investment, by issue of shares or other securities, the acquisition cost will be the fair value of the securities issued.
3. If the Company acquires any investment in exchange, or part exchange, for another asset, the acquisition cost of the investment will be determined by reference to the fair value of the asset.
4. If the Company subscribes for any right shares offered, the cost of the right shares is added to the carrying amount of the original holding. If rights are not subscribed for but are sold in the market, the sale proceeds are taken to the profit and loss statement.
5. If the Company acquires investments on cum-right basis and the market value of investments immediately after their becoming ex-right is lower than the cost for which they were acquired, it may be appropriate to apply the sale proceeds of rights to reduce the carrying amount of such investments to the market value.
6. The Company may treat the Interest and dividends in connection with the investments in any of the following ways:
  - As income, being the return on the investment.
  - Recovery of cost.

**B. Quoted Current Investments**

The quoted current investments shall, for the purposes of valuation, be grouped in the following categories:

- A. Equity Shares
- B. Preference Shares
- C. Debentures and bonds
- D. Government securities including treasury bills
- E. Units of mutual funds and
- F. Others

The quoted current investments for each category shall be valued at cost or market value, whichever is lower. The investment in each category shall be considered script-wise and the cost and market value aggregated for all investments in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation shall be provided for or charged to the profit and loss account. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored. Depreciation in one category of investments shall not be set off against appreciation in another category.

**C. UNQUOTED CURRENT INVESTMENTS**

1. The unquoted equity shares in the nature of current investments shall be valued at cost or breakup value, whichever is lower. However, if required, the Company may substitute fair value for the breakup value of the shares. Further, where the Balance Sheet of the investee company is not available for two years, such shares shall be valued at one rupee only.
2. The unquoted preference shares in the nature of current investments shall be valued at cost or face value, whichever is lower.
3. The investment in unquoted Government securities or Government guaranteed bonds shall be valued at carrying cost.
4. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.
5. Commercial papers shall be valued at carrying cost
6. The company can investment in commodity i.e. Gold, Silver etc.

**D. LONG TERM INVESTMENTS**

A long term investment shall be valued in accordance with the Accounting Standard issued by ICAI.

**Note:** Unquoted debentures shall be treated as term loans or other types of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

**DEPRECIATION AND APPRECIATION**

The depreciation, if any, in each script shall be fully provided for and appreciation, if any, shall be fully ignored. The depreciation in one script shall not be set off against appreciation in another script, at the time of inter class transfer, even in respect of the scripts of the same category.

**E. CEILINGS ON CONCENTRATION OF CREDIT/INVESTMENT**

RBI prescribes the following credit / investment concentration thresholds for systemically important Non Banking Financial Companies ("NBFCs") as tabulated below.

Sr. No.	Nature of Business	Mandatory Ceiling Limit
1	Lending to any single customer.	15% of its Owned Fund
2	Lending to any single group of customer's.	25% of its Owned Fund
3	Investing in the shares of another Company.	15% of its Owned Fund
4	Investing in the shares of single Group of Companies.	25% of its Owned Fund
5	Lending and investing to a single Party (Loans / investment taken Together)	25% of its Owned Fund
6	Lending and investing to a single group of parties.	40% of its Owned Fund



**However**, there are certain exceptions, exemptions and allowances prescribed in the RBI Directions with regard to the above limits, which are set out below:

- The above ceiling on the investment in shares of another company shall not be applicable to “SCL” in respect of investment in the equity capital of an insurance company up to the extent specifically permitted, in writing, by the Reserve Bank.
- Investments in debentures will be treated as lending and not investment.
- The above ceilings on credit / investments shall be applicable to the own group of SUNSHINE CAPITAL LIMITED as well as to the other group of customers / investee companies too.
- For determining the limits, off-balance sheet exposures shall be converted into credit risk by applying the conversion factors as explained by RBI through various circular.
- Quantified limit to make any additional investments is 15% of its Net worth.

**F. Dealing through Stock Brokers**

The company can make all the share trading, sale/purchase through any reputed registered Stock Brokers or through any financial institutions.

**G. Authority in case of breaches, if any**

Any and all disputes or differences arising between the investor and investee shall be amicably settled in the first instance. Unresolved disputes or differences shall be referred to the Sole Arbitrator to be appointed by the company for arbitration. The arbitration shall be governed by the Arbitration and Conciliation 1996 or any statutory modification or re-enactment thereof and the Rules made there under and for the time being enforce. The Award of the Arbitration shall be final, conclusive and binding on the Borrower. The place of Arbitration shall be at New Delhi and shall be conducted in English language.

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**For SUNSHINE CAPITAL LIMITED**

**Director**

