

Thacker And Company Limited

Investment Policy

Legal Framework

This policy has been formulated pursuant to Reserve Bank of India's Directions for Non-Banking Financial Company - Non - Systemically Important Non - Deposit taking Companies, as amended from time to time.

The policy has been adopted by the Board of Directors in their Meeting held on 3rd August, 2015 and revised in its Meeting held on 31st January, 2018.

Scope and Objectives of the Policy

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:

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

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 upto 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.

Investments in securities shall be classified in to Current and Long Term Investments, at the time of making investments.

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 scrip-wise, from current investments to long-term investments or vice-versa, at book value or market value, whichever is lower.

The depreciation, if any, in each scrip shall be fully provided for and appreciation, if any, shall be fully ignored.

The depreciation in one scrip shall not be set off against appreciation in another scrip, at the time of inter class transfer, even in respect of the scrips of the same category.

VALUATION

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:
 - a) As income, being the return on the investment.
 - b) Recovery of cost.

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 scrip-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.

UNQUOTED CURRENT INVESTMENTS

1. The unquoted equity shares in the nature of current investments shall be valued at cost or break-up value, whichever is lower. However, if required, the Company may substitute fair value for the break up 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. A long term investment shall be valued in accordance with the Accounting Standard issued by ICAI.
7. 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

Review of the Investment policy

The Investment policy shall be reviewed at such frequency as may be determined by the Board of Directors.